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INSTITUTE OF SCIENCE & TECHNOLOGY  
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## MESSAGE FROM THE EDITOR'S DESK

“Performance leads to recognition. Recognition brings respect. Respect enhances power. Humility and grace in one’s moments of power enhances dignity of an organization.”

**-N.R. Narayana Murthy, Founder of Infosys**

“If you do build a great experience, customers tell each other about that. Word of mouth is very powerful.”

**- Jeff Bezos, CEO and Founder of Amazon**

It gives us great pleasure in introducing the 7<sup>th</sup> volume of SRM Journal of Business Horizon. The Department of Commerce is a well known for its academic excellence and dedicated approach towards dissemination of knowledge. The commerce department appreciates the role of research in business and is committed to developing an inclination towards research in both faculty and students. In this pursuit, the department has taken the initiative to release the 7<sup>th</sup> Volume of SRM Journal of Business Horizon to encourage students and research scholars to publish their research articles. It will be an add-on to the enriched catalogue of college publications and academic literature. It aims at promoting research in the areas of business, management, economics, finance and governance and encourages empirical and inductive writings. The journal provides the scope to promote research publications among academicians, researchers, policy makers and practitioners. It publishes research articles relevant for national and international significance. Research is an enduring field with persistent and focused efforts lead to positive results. When research is done in the field business or in the domain of marketing, it has many fold impact and implications not only for the Industry but also for academia. An enormous amount of work has gone into the development of this journal and we believe you will see that effort reflected in this edition and in the impact it will have on the field. It has been an interesting journey. This issue has papers from the different domains such as internet marketing, Forensic Accounting, Cloud accounting, Artificial intelligence, Strategic HRM, Electronic advertising and HR audit. The response to our request to authors for contribution has been overwhelming. Our sincere thanks to all the contributors for their support and interest. We confidently trust that this volume will be a useful source of information for the researchers and students. We strongly faith that this issue will endorse the Research environment of this institution.



# Business Horizons

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# A STUDY OF INSTITUTIONS AVAILABLE TO EASE LIFE OF AN ENTREPRENEUR IN A FORMING A NEW BUSINESS

Asheed Abdul Nazar  
Manmohan Ranjan Dutt  
Kamalasree Selvam

## ABSTRACT

A clearly thought out business plan, and any early evidence of obtaining traction toward the plan. Interesting technology or intellectual property. An appropriate valuation with reasonable terms. The viability of raising additional rounds of financing if progress is made.

## INTRODUCTION TO ARTIFICIAL INTELLIGENCE

Artificial intelligence is the ability of computers and softwares to deep and machine learn the basic as well as the complex functions of human life by caricaturing us to execute tasks very easily.

### Role of Artificial Intelligence in starting a new business

Artificial Intelligence's ability to read and identify problems on its own cuts excess personnel in a startup, which in turn cuts monthly expenses on staff. The most prominent use of AI in today's growing and new businesses is the ability to manage and collect unlimited data with its algorithm which is almost impossible to be collected by even a room full of people.

### Examples of AI in new businesses to simplify the life of an entrepreneur

Chatbot responds to customers in a way which maximises customer satisfaction with least requirement to contact a customer care representative.

Gather and store almost illimitable amount of data and information not only limited to one's business but also to keep track of our competitors.

AI can automate the process of marketing by constantly keeping track of previous customers by sending emails and messages with offers and new updates regarding the business to the customers which triggers the customers subconscious mind while making purchase decisions.

AI tech can also help business run 24\*7 even without the presence of the entrepreneur

### Introduction to Automation.

Automation is nothing but technology that minimises human effort. It not only decreases the time taken to complete function but also replaces humans in jobs that put lives of people at risk.

### Examples of how automation simplifies life of an entrepreneur

- There is the traditional machinery that takes place for humans to increase the speed the quality and efficiency of the goods being produced.
- Funnel system, it automates the process from a customer who is interested in a good or service to turn to your business which satisfies those customer needs.

### These were examples of AI and automation helping new businesses startup

### Introduction to Angel Investors

Anyone who provides private capital to a (non family) family start up.

An angel investor is usually a high net worth individual who funds start-ups at the early stages, often with their own money.

Angel investing is often the primary source of funding for many start-ups who find it more appealing than other, more predatory, forms of funding.

The support that angel investors provide start-ups fosters innovation which translates into economic growth.

These types of investments are risky and usually do not represent more than 10% of the angel investor's portfolio.

## **IMPORTANT THINGS FOR ANGEL INVESTORS WHAT THEY CARE**

- The quality, passion, commitment, and integrity of the founders.

The market opportunity being addressed and the potential for the company to become very big.

### **Typical reasons why angel investors reject an investment**

There are many reasons an angel investor will reject your pitch. Here are some of the typical reasons for rejection:

The market opportunity or potential size of the business is perceived as too small.

The founders don't come across as knowledgeable or passionate.

The pitch was made by the entrepreneur through a blind email and not a referral from a trusted colleague of the angel investor.

## **GOVERNMENT PROGRAMS ON ENTREPRENEURSHIP**

### **INTRODUCTION OF ENTREPRENEURSHIP**

Entrepreneur Development Programmes (EDP's) play a great role in the development of business and industry. EDP's are based on the thinking that the attitude of the people can be changed by developing their skills. These are not just training programmes but it is a technique which helps to increase motivation, working capacity and knowledge of the prospective Entrepreneurship.

### **INSTITUTIONAL EFFORTS AND ROLE OF GOVERNMENT IN**

#### **DEVELOPING ENTREPRENEURSHIP :**

There are various agencies and institutions engaged in entrepreneurial development activity that come in existence due to EDP's and these are as under :

National Institute for Entrepreneurship and Small  
Business Development  
Entrepreneurship Development Institute of India  
Technical Consultancy Organization  
Indian Investment Centre

**Besides above there are several other important institution providing assistance for entrepreneurial development at the national and state level and these are:**

#### **At the National Level/Central Level :**

Small Scale Industries Board  
National Small Industries Corporation  
Small Industries Development Organization  
Industrial Development Bank of India  
Industrial Credit and Investment Corporation of India  
Khadi and Village Industries Commission  
National Small Industries Corporation Ltd.  
National Science and Technology Entrepreneurship Development Board  
National Institute for Small Industry Extension and Training.

#### **At the State Level Institutions :**

Directorate of Industries  
District Industries Centre  
State Financial Corporations  
State Industrial Development/Investment Corporation  
Small Industries Service Institute  
National Bank for Agriculture and Rural Development.

### **CONCLUSION :**

Entrepreneurial development programmes play an important role in economic and industrial development of any country whether developed or developing. No doubt these programmes have developed in India in recent years and proved successful also but the expected success is not much. By implementation of some suggestions explained earlier and by improving government machinery your country can also move forward towards industrialization and economic progress through EDP's.



# SUSTAINABLE FINANCE IN INDIA

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## ABSTRACT

This research is focused on sustainable finance as a tool for growth in India. Sustainable finance is new in trend model of investing that various companies are turning to. This paper aims to study and understand sustainable finance. Analyze its performance during the COVID-19 pandemic and examine its credibility as a tool for growth in a post pandemic climate.

**Keywords:** Sustainable finance, tool, growth, investing.

## SUSTAINABLE FINANCE IN INDIA

The world is burning. Sadly, that statement is no longer metaphoric. The rapid use of non-renewable resources had, in the past, brought opulence in the form of economic and population growth. But its often ignored social and economic consequences have steadily intensified through the years, the competitive economic system has led to long working hours, underemployment, disguised unemployment, child labour especially in the developing world. The increased consumption and production have also led to pollution, global warming, depletion of natural resources. According to various reports by climate scientists across the world, climate change is now the most pressing ecological constraint. To face the elephant in the room various organisations and governments across the world have started to slowly transition to low carbon-based production models. Countries have come together to sign the Paris Climate Accord to combat this mammoth of a challenge and finance is a part of that Accord.

Why should the financial sector contribute to this cause? Well, the primary task of this industry is to put money to its most productive use. Finance plays a leading role in allocating funds to sustainable companies and projects and thus accelerate towards a green economy. Sustainable finance will consider social, environmental and governance factors during the investment decisions. Investors can also exert influence over the companies they invest in. Ultimately, finance is good at pricing risk for valuation purposes and can thus help to deal with the fundamental precariousness about environmental issues. Both Finance and Sustainability focus at the future.

## SUSTAINABLE FINANCE

Sustainable finance represents any form of financial service integrating environmental, social and governance criteria into business or investment decisions for the lasting benefit of both clients and society as a whole. Activities that fall under the heading of sustainable finance include sustainable funds, green bonds, impact investing, microfinance, active ownership, credits for sustainable projects and development of the whole financial system in a more sustainable way. Environmental, social and governance issues are a major factor in investment. Traditionally investors evaluated their performance based on financial performance alone

Acc. to Global Sustainable Investment alliance (GSIA), an umbrella group, fully \$23trn or 26% of all assets under management in 2016 were in “socially responsible investments” that take into account environment, social and governance issues

There are still some disagreements on both, over where to draw the line between sustainable and “normal” investments, and how to subdivide the universe of sustainable investment

## GLOBAL ACTION

Globally, there has been various measures taken both by the United nations and by the European Union. The EU has promised to take leadership of Sustainable Finance under the Paris Climate Accord. The UN has also set up various resources and tools to actively support sustainable finance during COVID-19:

- UN Global Compact Academy session on COVID-19: Sustainable finance and future of global economy
- UN Global Compact CFO Task Force for the SDGs

- PRI guidance on how responsible investors should respond to the COVID-19 crisis
- International Capital Markets Association (ICMA) guidance on COVID-19 social and sustainability bonds
- United Nations Joint SDG Fund: financing the SDGs at a time of COVID-19

Also, the G20 established, international body called The Financial Stability Board, responsible for monitoring the global financial system has established a Task Force on Climate-related Financial Disclosure (TCFD) which published its final recommendations for effective disclosure of climate-related risks in June 2017.

The recommendations include:

- Governance—disclosure of the business’ governance procedures around board oversight and climate-related risks and opportunities (see page 19 of the report)
- Strategy—disclosure of actual and potential impacts of climate-related risks and opportunities identified over the short, medium and long-term (see pages 20–21 of the report)
- Risk management—disclosure of the process for identifying, assessing and managing climate-related risks (see pages 21–22 of the report), and
- Metrics and targets—disclosure of metrics and targets used to assess and manage climate-related risks and opportunities (see page 23 of the report)

The UN is also providing direction to the financial sector in shifting to a green economy. Top banks including Barclays, BBVA, Citi Group, Standard Chartered, UBS and various participated in a pilot project on adoption of TCFD recommendations. The United Nation Environmental Programme Finance Initiative has published a report on the same.

Separately, the Sustainable Banking Network (SBN) a unique global initiative comprising a voluntary community of regulatory agencies and banking associations, established to facilitate the collective learning of its members and to produce support in the development of initiatives aimed toward promoting sustainable investing. In February 2018, the SBN published its Global study evaluating sustainable finance policies in 34 member countries and suggesting practical indicators and tools which members can apply to their own domestic markets.

The Network for Greening the economic system similarly comprises a group of central banks and supervisors to green the economic system with the aim of enhancing the role of the economic system to manage risks and to mobilize capital for green and low-carbon investments in the broader context of environmentally sustainable development, by promoting best practice and commissioning analysis.

The international platform on sustainable finance was launched in October 2019 by public authorities from Argentina, Canada, Chile, China, India, Kenya, Morocco and The European Union, representing almost half the world’s greenhouse gas emissions. The aim of the platform is to encourage best practice in sustainable finance, and enhancing coordination where appropriate

India has emerged as a prime destination for investors soliciting assets that are aligned with the Sustainable Development Goals (SDGs). Nevertheless, the incorporation of ESG factors is not fully evolved. The COVID-19 pandemic has further called attention to why sustainable practices need to be at the core of both economic practice and financial thinking. However, India is especially susceptible to the intensifying climate change and responding to this threat will necessitate unparalleled amount of finance. One estimate proposes that US\$ 4.5 trillion is required to accomplish its goals for sustainability and renewable energy by 2040. This transcends India’s fiscal capacity. And limited public resources indicate the need for private finance. The private sector will have to play a major role in sustainable finance

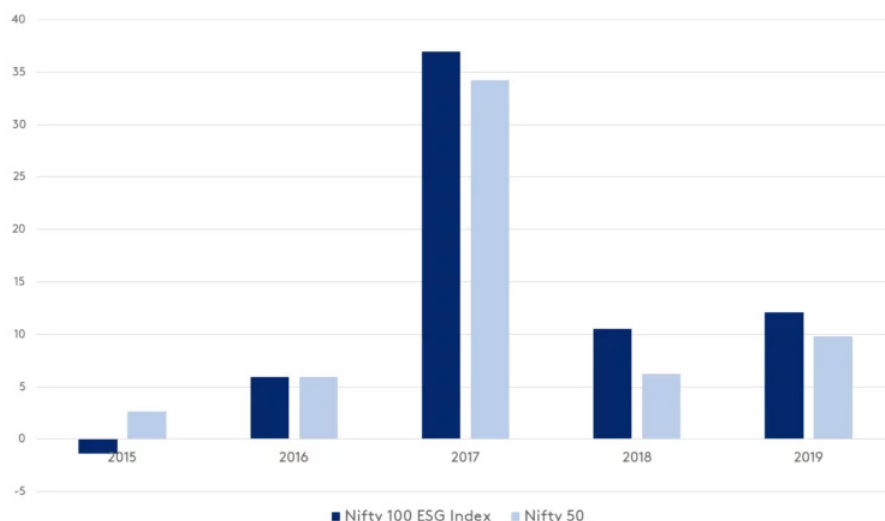
In 2012, the Securities exchange Board of India (SEBI) established a stipulation for the leading hundred companies (by market capitalization) to issue Business Responsibility Reporting (BRR) published alongside the annual report.

The BRR comprises of : Ethics, policies for group, joint ventures, suppliers and NGOs, environmental strategy, the company’s membership with any trade association, how it delivers inclusive growth and its focus on the customer.

Promising signs are surfacing that ESG funds that embrace strategies such as norm-based screening and shareholder action are gaining traction. ECube Investment Advisors, SBI Funds Management, Equicap Asia Management, Indus Environmental Services and Malabar Investments these are 5 companies that have signed the Principle for Responsible Investments.

### ESG Scores and Company Performance.

The COVID-19 pandemic has gravely challenged the markets. Yet, evidence suggests that companies with greater ESG scores are performing better, matching the global trend. Since the locked down (instated back in March), the NIFTY 100 ESG index has exceeded the standard NIFTY 50 index. This validates the long term trend of NIFTY 100 ESG performing better than the NIFTY 50 in 2017, 2018, 2019



### Annual performance of NIFTY 50 and NIFTY 100 ESG

Not only have ESGs performed better in crisis they have also been proved to be more adaptable. The ESG funds actually remained resilient, attracting \$500 million during the lockdown. In fact, there was a record inflow (PDF), driven in part by the launch of the Axis ESG Equity Fund, which received \$239 million. In 2019, Moody's considered ESG risks as material credit consideration in 33% of the 7637 private-sector rating actions published and the non-renewable industry received the highest rating actions. This shows that even credit rating agencies are identifying ESG factors as material for bond investors.

### Central Bank's Role

Central Banks have a profound impact on the flow of sustainable finance. In 2019, the Reserve Bank of India (RBI) published a report on the progress and trends of the banking sector, the RBI stated that India's banks need to be sensitized to international initiatives and urged financial institutions to comply to sustainable practices. In April 2020, RBI published a study showing that climate change has a significant impact on food price inflation. To mitigate these risks, the central bank may begin to incorporate environmental factors into its prudential policies, requiring climate-related disclosures by banks, computing reserve requirements on the basis of green assets, starting to invest in green assets and providing liquidity to banks investing in environmentally-friendly project.

One other way of steering capital into the social and environmental goals would be through priority sector lending targets for banks. Presently, 40% of bank lending has been channeled to sectors believed to be crucial for economic growth. So far, RBI has numbered lending to social infrastructure and small projects but these barely amount to anything in the loan portfolios.

### Challenges

The banking sector can play a strategic role; however, it is also riddled with non-performing assets. In March 2020, NPAs accounted for 9% of total lending. Not only that, sustainable finance faces barriers far more than simply in the terms of amount available. It also faces risks associated with political, regulatory, and technological aspects.

The following published in the UNEP report (Delivering a Sustainable

Financial System in India). It shows the various barriers in establishing sustainable finance:

*Three main challenges relating to the mobilization of finance are evident in the Indian context:*

*The first is related to the fact that India does not have substantial access to multilateral finance or grant funding for plugging the fiscal gap in sustainable development-related expenditure. The NitiAayog estimated that the country needs to spend close to US\$1 trillion every five years on basic infrastructure (over the 12th Five-Year Plan period between 2012 and 2017),<sup>26</sup> whereas the total budget of the central government is closer*

to US\$250 billion and the total size of international climate finance by 2020 will be closer to US\$100 billion per year. Moreover, India has graduated from its low-income status and is now a lower middle-income country according to the World Bank classification, which means that access to concessional lending from the World Bank will decrease; importantly, India has been the largest recipient of loans from the World Bank, amounting to around US\$102.1 billion, between 1945 and July 2015.

The second challenge relates to the participation of the private sector. Again, the example of the infrastructure funding requirement is indicative of the size of the challenge: the government estimated that around half of the US\$1 trillion requirement would have to come from the private sector. Similarly, India spent about 1.9 per cent of GDP on health and 3.9 per cent of GDP on education in 2014 according to World Bank statistics. There is a large gap to fill, and private sector participation is currently limited, partly because of the limited banking credit available to finance long-term projects as well as the lack of institutional capacities to mitigate or manage political risk.<sup>27</sup> The participation of the private sector is also linked to the challenge of structural

31 Delivering a Sustainable Financial System in India economic reform – the longer the country delays substantive reforms in sectors ranging from public procurement to tax administration, the bigger the challenge. The last challenge is one that the country has begun to respond to: instituting overarching political frameworks for focused bilateral and multilateral cooperation on the sustainable development agenda. Such cooperation where the government leads and the industry follows could become a global template for sustainable development-linked cooperation. For instance, at COP21, the Indian government took the lead in instituting the International Solar Alliance, which aims to bring together developed and developing countries, governments, industries, academics and other relevant institutions. The members of the Alliance will make joint efforts through innovative policies, projects, programmes, capacity building measures and financial instruments to “mobilize more than US\$1,000 billion of investments that are needed by 2030 for the massive deployment of affordable solar energy”. India will be hosting this initiative at the premises of the National Institute for Solar Energy and will provide around US\$30 million to build the secretariat infrastructure. All partners hope that this will help catalysing investments and research in solar energy across the world, with the private sector expected to play a critical part.

But the most fundamental question is the trickiest to solve, because it boils down to ethics rather than finance. How can the relative value of, say, educating a girl in the developing world be compared to preventing a ton of air pollution? Investors choice will be driven by personal preference rather than financial calculation.

## CONCLUSION

The adaptability of ESG investments during the current pandemic crisis, increasing demand for sustainable finance products and RBI's interest all indicate the possibility of re-directing finance as India emerges from lockdown.

A system-wide plan to move forward sustainable finance in India is required. It would require RBI's risk-based focus and its priority sector lending programme as well as the government needs to have a macroeconomic attitude towards fiscal management.

To persuade more investors toward sustainable finance products the government can give tax incentive.

The direction of travel is crystal clear- Financial institutions and Investors will be required to analyse, monitor and disclose the sustainability of investments. In the face of climate risk, the financial market has an opportunity to innovate which, within the appropriate framework, can drive value as well as further climate-related and ESG objective

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# DEVELOPING AN OWN BUSINESS(ENTERPRENURSHIP): GOVERNMENT PROGRAMS ON ENTERPRENURSHIP

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## ABSTRACT

In spite of having a large publicly funded science and technology infrastructure and a sizeable education base, India has not been able to realize its innovative potential due to a fragmented innovation ecosystem. The government of India has taken many initiatives towards strengthening the innovation ecosystem, the most important of which are: i) the establishment of the National Innovation Council, whose mandate is to coordinate various innovation-related activities, and ii) the new Science, Technology and Innovation Policy 2013, which is intended to promote entrepreneurship and science-led solutions for sustainable and inclusive growth. With a focus on this new policy initiative, this article describes the current innovation ecosystem and the challenges it faces, and it discusses the efforts made by the government towards the promotion of innovation for entrepreneurship development and sustainable growth. With the implementation of this new policy the early indications are that India is poised to take a big leap towards innovation-led growth.

## INTRODUCTION TO GOVERNMENTS PROGRAMS ON ENTREPRENURSHIP

**WHAT IS ENTREPRENEURSHIP?** Entrepreneurship is a complex term that's often defined simply as running your own business. But there's a difference between a "business owner" and an "entrepreneur," and although one can be both, what distinguishes entrepreneurship

**DEFINITION OF ENTREPRENEURSHIP** "It is a process of creating something different with value by devoting necessary time and effort, assuming the accompanying financial, psychic, social risks and receiving the resulting rewards of monetary and personnel satisfaction

**GOVERNMENTAL SCHEMES** The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. With a significant and unique demographic advantage, India, however, has immense potential to innovate, raise entrepreneurs and create jobs for the benefit of the nation and the world.

India is a country with over 1.2 billion people, 379 million (31%) of which are between the ages of 18 and 35 (Census of India, 2011). And, many of these young people are in search of jobs, despite being educated. For example, only one in every four urban males under 29 years is employed even though they hold at least a certificate or diploma (National Sample Survey Office, 2013). The aim of the government has been to create employment opportunities for youth while focusing on rapid economic growth. Entrepreneurship development is one of the mechanisms adopted by the Government of India towards the creation of job opportunities. The government's assumption is that support for innovation will enhance entrepreneurship development, which will in turn accelerate economic growth

To encourage budding entrepreneurs to kickstart innovative businesses that will eventually create employment opportunities, the government offers innumerable schemes to make the process easy.

The schemes provide financial assistance to potential individuals and organizations in the form of subsidies and loans. A national programmed, the Make in India initiative is aimed at transforming India into a global transforming hub, contains a raft of proposals designed to attract investments from both local and foreign companies.



Establishing small business offices or economic development departments in every city, state or province of the nation can be a great step, where the staff can guide the potential entrepreneurs to local business incubators, financing programs, and networking events. The entrepreneurs must be benefited from the free advice and consulting services and navigated across the government regulations. The government can run programs to provide free advice to the business-owner on improving and spreading their services and business. Entrepreneurs and entrepreneurship have been there since the evolution of civilization. The motive of businesses has not only been making money but serving mankind too. They adopt all the available resources around and invest them in innovations. The success or failure of a business may take a backseat, while the idea of starting an enterprise is still the main concern for many potential entrepreneurs. However, the government has a major role to play to promote entrepreneurial ideas.

Government of India declared 2010-2020 as the «Decade of Innovation», for which the roadmap would be prepared by the newly established National Innovation Council (NInC; [innovationcouncil.gov.in](http://innovationcouncil.gov.in)). The National Innovation Council is «the first step in creating a crosscutting system which will provide mutually reinforcing policies, recommendations and methodologies to implement and boost innovation performance in the country» (Nation Innovation Council, 2010).

within a period of six months from the date of release of funds for capital and operational expenditure.

National institution for transforming India has its roots all strong and firm looking for experts from across the globe to come forward and showcase their views about various plans and their implementation. Continuous meetings are being organized to provide mutual benefits to everyone. India being the host is at major advantage as this also helps to maintain good social and economic connection with other countries. Knowledge increases with sharing and so is the agenda of this scheme. The international approach to this scheme doesn't hide its origin from the very basic principles of learning and growth. The intellectual and informative lectures delivered create an intelligent aura which is beneficial to both the sides.

## **SCHEMES PROVIDED BY THE GOVERNMENT**

### **Atal Incubation Center (AIC)**

Started by the NITI Aayog in 2016, AIC is an innovative funding scheme to promote entrepreneurs by covering their capital operational costs.

The selected startup will be granted funding up to Rs 10 crore over a period of five years.

Students, researchers or newly formed organizations from fields including transport, health, energy, education, agriculture, water and sanitation can apply.

The AICs can be set up either in Public funded institutions or Private sector funded institutions or in Public-Private Partnership (PPP) mode.

The candidate will have to provide at least 10,000 sq. ft of space for the infrastructures such as laboratory and workshop facilities, utilities, support services, pre-incubation services, networking, mentoring and other facilities within a period of six months from the date of release of funds for capital and operational expenditure.

National institution for transforming India has its roots all strong and firm looking for experts from across the globe to come forward and showcase their views about various plans and their implementation. Continuous meetings are being organized to provide mutual benefits to everyone. India being the host is at major advantage as this also helps to maintain good social and economic connection with other countries. Knowledge increases with sharing and so is the agenda of this scheme. The international approach to this scheme doesn't hide its origin from the very basic principles of learning and growth. The intellectual and informative lectures delivered create an intelligent aura which is beneficial to both the sides.

### **The Venture Capital Assistance Scheme**

Ministry of Agriculture and Farmers Welfare

Venture Capital Assistance is financial support in the form of an interest free loan provided by SFAC to qualifying projects to meet shortfall in the capital requirement for implementation of the project.

#### **Benefits**

- Help in assisting agripreneurs to make investments in setting up agribusiness projects through financial participation
- Provides financial support for preparation of bankable Detailed Project Development Facility Reports (DPRs) through Project (PDF).

**Eligibility**

- Farmers
- Producer Groups
- Partnership/Proprietary Firms
- Self Help Groups
- Companies
- Agripreneurs
- units in agriexport zones
- Agriculture graduates Individually or in groups for setting up agribusiness projects.

**Support for International Patent Protection in Electronics and & Information Technology (SIP-EIT)**

Ministry of Electronics & Information Technology

SIP-EIT is a scheme to provide financial support to MSMEs and Technology Startup units for international patent filing to encourage innovation and recognize the value and capabilities of global IP along with capturing growth opportunities in ICTE sector.

**Eligibility Criteria**

- The Applicant should be registered under the MSME Development Act 2006 of Government of India as amended from time to time as a MSME unit as per the criteria for such registration (the applicant would be required to furnish the proof of such registration).
- The applicant should be a registered company under the Companies Act of Government of India and should fulfill the investment limits in plant and machinery or equipment as defined in the MSME Development Act 2006 of Government of India as amended from time to time (this criteria will be ascertained from the proof of such registration and last audited balance sheet of the applicant)
- The applicant should be a registered STP Unit and should fulfill the investment limits in plant and machinery or equipment as defined in the MSME Development Act 2006 of Government of India as amended from time to time (this criteria will be ascertained from the proof of such registration and last audited balance sheet of the applicant).
- The applicant should be a technology incubation enterprise or a startup located in an incubation center/ park and registered as a company (a certification from the incubation center/ park in this case is mandatory) and should fulfill the investment limits in plant and machinery or equipment as defined in the MSME Development Act 2006 of Government of India as amended from time to time (this criteria will be ascertained from the proof of such registration and last audited balance sheet of the applicant).

**Stand-Up India for Financing SC/ST and/or Women Entrepreneurs**

Small Industries Development Bank of India (SIDBI)

Stand Up India Scheme facilitate bank loans between 10 lakh and 1 crore to at least one scheduled caste (SC) or Scheduled Tribe, borrower and at least one woman per bank branch for setting up a greenfield enterprise. This enterprise may be in manufacturing, services or the trading sector. In case of non-individual enterprises at least 51% of the shareholding and controlling stake should be held by either an SC/ST or Woman entrepreneur.

**Eligibility:**

- SC/ST and/or women entrepreneurs; above 18 years of age.
- Loans under the scheme is available for only greenfield project. Greenfield signifies, in this context, the first-time venture of the beneficiary in the manufacturing or services or trading sector
- In case of non-individual enterprises, 51% of the shareholding and controlling stakes should be held by either SC/ST and/or Women Entrepreneur
- Borrower should not be in default to any bank or financial institution

**Assistance to Professional Bodies & Seminars/Symposia**

Department of Science & Technology

The Programme extends partial support on a selective basis, for organizing seminar / symposia/ training programs / workshops / conferences at national as well as international level. The support is provided to Research Institutes/ Universities/ Medical and Engineering Colleges and other Academic Institutes/ Professional Bodies who organize such events for the scientific community to keep them abreast of the latest developments in their specific areas. The support is generally given for encouraging participation of young scientists and research workers in such events and publication of proceedings / abstracts for wider dissemination. The Programme also supports S&T Professional bodies.

**Eligibility**

- Applicant should be and Indian Citizen residing in India
- The applicant(s) must hold a regular position in a recognized academic institution or in a national laboratory / recognized R&D institution
- Application should be submitted not earlier than 180 days and not later than 60 days, before the date of the event

**PRADHAN MANTRI MUDRA YOJANA****Govt. Of India**

Micro Units Development and Refinance Agency Ltd. [MUDRA] is an NBFC supporting development of micro enterprise sector in the country. MUDRA provides refinance support to Banks / MFIs for lending to micro units having loan requirement up to 10 lakhs. MUDRA provides refinance to micro business under the Scheme of Pradhan Mantri MUDRA Yojana. The other products are for development support to the sector. The bouquet of offerings of MUDRA is depicted below. The offerings are being targeted across the spectrum of beneficiary segments.

**Objective of The Scheme**

- Mudra loan is extended for a variety of purposes which provide income generation and employment creation. The loans are extended mainly for
  - Business loan for Vendors, Traders, Shopkeepers and other Service Sector activities
  - Working capital loan through MUDRA Cards
  - Equipment Finance for Micro Units
  - Transport Vehicle loans

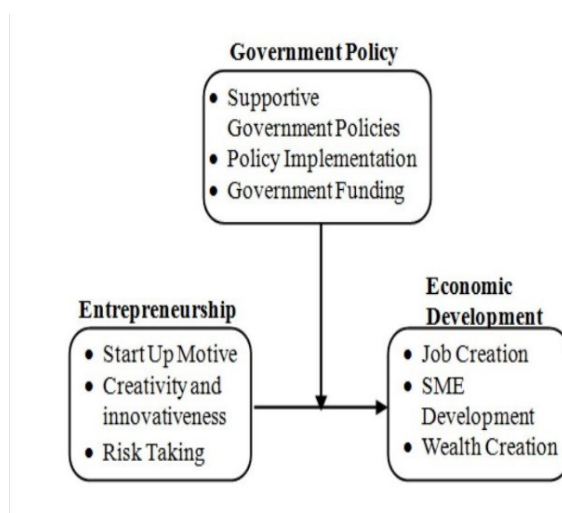
**INDUSTRY APPLICABLE**

IT services, analytics, enterprise software,  
technology hardware, Internet of things, AI

Chemicals, Technology hardware, health care & life sciences, aeronautics/aerospace & defense, Agriculture, AI, AR/VR (augmented + virtual reality), Automotive, telecommunication & networking, Computer vision, construction, design, non-renewable energy, renewable energy, green technology, fintech.



## CONCEPTUAL FRAMEWORK



The role of Entrepreneurship in economic growth, are about job and wealth creation. Considering the role, it is important to develop entrepreneurship. In this stage, government policy has a big influence, there are to establish environment and create infrastructure that support entrepreneurship. However, when it comes to entrepreneurship policy, one size does not fit all, governments can only provide an underlying conducive environment to the emergence of productive entrepreneurship rather than unproductive entrepreneurship. In this research, conceptual framework of entrepreneurship policy can be divided based on level of analysis which are, micro and macro level. At macro level, entrepreneurship policy, focus on creating motivation, entrepreneurial skills, and business skills.

## SUMMARY

Entrepreneurship must be developed and supported so that there is a proliferation of SMEs in the country.

An entrepreneur's entry into business does not guarantee his/her survival. Attrition rate for new entrepreneurs is very high in many countries of the world. While this may be because their chosen business inappropriate or a lack of adequate technical or business expertise, one critical reason is that overall macro and micro environment in which they are forced to operate. Therefore, a key consideration by the government should be to critically evaluate the exiting macroeconomic policies and their impact on grassroots entrepreneurship development.

At the same time, a misconception about entrepreneurs and where entrepreneurs can be found can also help the local people to create the right picture of entrepreneurship and thus become aggressive and contribute to economic development.

The skills that are required to run a business successfully, is developed among the people through this programme. Sometimes, people may have

skills but it requires polishing and incubation Entrepreneurship must be developed and supported so that there is a proliferation of SMEs in the country. An entrepreneur's entry into business does not guarantee his/her survival. Attrition rate for new entrepreneurs is very high in many countries of the world. While this may be because their chosen business inappropriate or a lack of adequate technical or business expertise, one critical reason is that overall macro and micro environment in which they are forced to operate.

Therefore, a key consideration by the government should be to critically evaluate the exiting macroeconomic policies and their impact on grassroots entrepreneurship development.

- Entrepreneurship play a very critical and major role in the development of the economy of the country as this is the key contributor to innovativeness and product improvement.

- It is one of the important factors to the creation of new employments and in the building of communities in ways of offering them jobs.
- The government has taken key initiatives to help young and energetic entrepreneurs with schemes like the NITI Aayog,
- The Venture Capital Assistance Scheme etc. which will act as a motivation booster for entrepreneurs and also increase the economy of the country. the government should develop policies which will enhance entrepreneurship by understanding the critical differences existing between small business owners and entrepreneurship

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# A STUDY ON IMPACT OF COVID-19, A GLOBAL PANDEMIC ON BUSINESSES. (WITH REFERENCE TO SIEMENS GAMESA RENEWABLE ENERGY, SGRE)

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## ABSTRACT

The COVID-19 outbreak is a sharp reminder that pandemics, like other rarely occurring catastrophes, have happened in the past and will continue to happen in the future. Even if we cannot prevent dangerous viruses from emerging, we should prepare to dampen their effects on society. The current outbreak has had severe economic consequences across the globe, and it does not look like any country will be unaffected. This not only has consequences for the economy; all of society is affected, which has led to dramatic changes in how businesses act and consumers behave. This research is done to analyse and compare the performance of a company Siemens Gamesa Renewable Energy before Covid-19 and after the outbreak of Covid-19.

**KEY WORDS:** COVID-19, Impact on business, Economy, Pandemic.

## INTRODUCTION

Siemens Gamesa Renewable Energy, commonly known as SGRE, is a Spanish-German wind engineering company based in Zamudio, Biscay, Spain. It manufactures wind turbines and provides onshore and offshore wind services. It is the world's second largest wind turbine manufacturer.

The company is a merger between Gamesa Technological Corporation, a Spanish company, and Siemens Wind Power, based in Denmark, Germany. On 17 July 2016 Siemens and Gamesa announced their plan to merge their wind businesses, with the 59% stake of Siemens and the 41% stake of former Gamesa shareholders in the resulting company. Siemens paid €1 billion cash for its stake in Gamesa. The resultant company was headquartered in Spain, with an offshore operation headquartered in Hamburg, Germany and Vejle, Denmark. The combined business was the largest wind turbine manufacturer worldwide by installed capacity (~69 GW). The merger became effective on 3 April 2017.

Now, Siemens Gamesa is a leading supplier of wind power solutions to customers all over the globe. A key player and innovative pioneer in the renewable energy sector, they have installed over 105 GW in over 75 countries. Siemens Gamesa offers one of the industry's broadest product portfolios, with both offshore and onshore technology as well as industry-leading service solutions. The company was created in 2017 by the merger of Siemens Wind Power and Gamesa Technological Corporation. Siemens Gamesa is listed on the Dow Jones Sustainability Index, the FTSE4Good Index which is concerned with corporate social responsibility on the KLD Global Climate 100 Index, and on the Global 100 Index of the 100 most sustainable companies in the world.

The company has three main business units namely,

### Onshore Wind Power

To ensure the long-term success of onshore wind power project, they provide innovative solutions – with geared technology including two platforms with modular design – based on the proven track record and technological excellence. They work with their clients at the first opportunity to develop a detailed view of the project. With the global reach they deploy a regional focus wherever they operate, with technology adapted to local needs.

### Offshore Wind Power

When there is an idea of developing an offshore wind power plant, they strive to unlock the full potential of your project, while delivering a lower cost of energy. They put nearly three decades of offshore experience, a mature value chain, and our extensive innovative capabilities at the disposal.

### Service

Siemens Gamesa offers one of the most comprehensive and flexible portfolios for the maintenance and optimization of wind turbines, providing a holistic, lifetime-care service through innovation and digitalization; from technical assistance to complete asset management. And not only for Siemens Gamesa wind turbines but also for third party assets.

Covid-19 impacted every business in the world. And so, it has also impacted Siemens Gamesa adversely, leading to major losses. This study is done in to compare the performance of the company and to analyse the impact of the pandemic financially.

### OBJECTIVE

- To find the effect on a business due to Covid-19 pandemic.
- To compare the financial results before and after the outbreak of the pandemic.
- To analyse those results.

### RESEARCH METHODOLOGY

- All the data used in the field of research are wholly depend on secondary data from trusted sites.
- All are thoroughly checked with compliance.
- Statistics or the graph presented are also taken from secondary source.
- All the data are related to the topic and are taken from recently published survey regarding the changes after the outbreak of Covid-19 in the world.

### DATA ANALYSIS AND INTERPRETATION

The financial results of the company are taken in 4 Quarters- Q1 ( Oct'19 to Dec'19), Q2 ( Jan'20 to Mar'20), Q3 ( April'20 to June'20) and Q4 ( Jul'20 to Sept'20). Thus, the financial year of this company starts from October to September. Here, the results of Q1 is taken as the performance before the global pandemic and, the results of Q2, Q3 and Q4 are taken as the performance during and after the outbreak of Covid-19.

Analysing the results in quarter wise, rising demand for wind power as a response to the transition towards non-polluting energies drove Siemens Gamesa's commercial activity in the first quarter of FY 2020. The company experienced an 82% increase in order intake, with firm orders rising to €4,628m, raising the order book to a record €28,089m, underlining solid long-term growth prospects. The company adjusted its profitability target by one percentage point and expects to end the fiscal year with an EBIT margin before PPA, integration and restructuring costs of between 4.5% and 6%. Sales stood at €2,001million and the balance sheet remained sound, with €17million in net cash.

In the second quarter, the performance reflected the unexpected effect of the COVID-19 pandemic on its operations and commercial activity, with a direct negative impact of €56million on profitability, and intensified challenges experienced by the onshore business in India and Northern Europe. The company faces the crisis with a solid balance sheet and healthy liquidity. The company registered a record order backlog of €28.6bn and is well positioned to take advantage of sector growth outlook thanks to its geographical diversification and leadership in technology. Despite the strong commercial activity in the quarter, the expansion of the coronavirus was reflected in the company's revenues and returns. Revenues fell by 8% between January and March, to €2,204mn, affected by lower sales of wind turbine generators. EBIT pre PPA and before integration and restructuring costs amounted to €33mn in the quarter, with an EBIT margin pre PPA and before integration and restructuring costs of 1.5%. In this context, the company booked losses of €165mn in the second quarter.

The performance in the third quarter of FY 2020 (April-June) reflected the impact of COVID-19 on its operations as well as challenges in the Onshore business, due to the slowdown of the Indian and Mexican markets, and in the execution of projects in Northern Europe. As a result, between April and June Siemens Gamesa recorded revenues of €2,411 million, a decline of 8% year-on-year. EBIT pre PPA and before integration and restructuring (I&R) costs fell to -€161 million, with a negative EBIT margin of -6.7%, including a -€93 million direct impact of COVID-19. Net losses in the quarter amounted to €466 million. Despite these near-term challenges, the results also reflect strong foundations for the future: a record backlog of €31.5 billion and a strong liquidity position, with €4 billion in funding lines against which only €1.2 billion have been drawn. The company's debt has been reduced by €101 million in the last twelve months, to €90 million.

In the fourth quarter, the company logged a record order intake of €14,736m during fiscal year 2020, a challenging year dominated by Covid-19 and tough market conditions, ending with a backlog of €30.2bn that provides a solid foundation for the future and reflects the momentum for wind energy. The company reported an EBIT pre PPA and before Integration and Restructuring costs of €31m, a margin of 1.1% on €2,868m in revenues. The company reported a decline in revenues for FY20 of 7% year-on-year to €9,483m, with EBIT pre PPA and before Integration and Restructuring costs of -€233m, a margin of -2.5%. Net losses amounted to -€918m.

The financial results FY'19-20 is therefore put up in tabular form and graph:

Key figures	Q1(€m)	Q2(€m)	Q3(€m)	Q4(€m)
Revenue	2001	2204	2411	2868
EBIT	-136	33	-161	31
EBIT margin	-6.8%	1.5%	-6.7%	1.1%
Reported net profit or loss	-174	-295	-90	-113

When we take the comparison between the fiscal year 2018-19 and 2019-20, it clearly shows the drastic changes in the profits earned and the performance by the company. Here, the year 2018-19 is the period before the pandemic and the year 2019-20 is the period after the outbreak.

The financial results FY'18-19 closed with a record order backlog, while strong sales activity in all three business units contributed to a 12% year-on-year revenue increase at the wind turbine manufacturer. Despite strong headwinds in the sector, which is experiencing pricing pressure, rising costs and regulatory uncertainty in certain markets, the company delivered an EBIT margin pre-PPA and integration and restructuring costs of 7.1% in line with its guidance to the market. Profits earned during this period was €140 million. They also strengthened its balance sheet in FY 2019, optimizing its debt structure and improving its cash position by €248m, thanks in particular to improved working capital, enabling it to end the year with a net cash position of €863m.

The FY'19-20 results reflect the continuing slowdown in the Indian market and cost overruns on project execution in Northern Europe, all accentuated by the impact of Covid-19. The global pandemic reduced revenues by c. €1bn, due to lower commercial activity and delays in project execution, and Covid-19 also impacted in EBIT pre PPA and before Integration & Restructuring costs by €181m. The company incurred a net loss of €918 million during this period. Service was the fastest-growing division in FY20, supported by the assets acquired from Senvion. Order intake increased by 53% y/y to €4.1bn during the year, boosting the fleet under maintenance by 23.7% y/y to 74,240 MW. As a result, Service now accounts for one-half of the company's total backlog. These orders offer visibility as the company has a 70% retention rate and the average contract duration is 8-9 years.

The performance comparison between the years 2018-19 and 2019-20 can be clearly understood through the following table and graph:

Key figures	FY Oct'18 to Sept'19(€m)	FY Oct'19 to Sept'20(€m)
Revenue	10227	9483
EBIT before PPA	725	-233
EBIT margin	7.1%	-2.5%
Reported net profit or loss	140	-918

**FINDINGS**

From all the above analysis and observation, it can be said that SGRE, which was performing fairly well, had a negative impact due to the global pandemic Covid-19. The company's revenue fell by €744 million. Also, the company had eventually been profitable in the year 2018-19 with a profit of €140 million but the year 2019-20 faced a loss of €918 million. Though it had a solid balance sheet at year-end, the company was left with net debt at €49m at the end of the fiscal year 2019-20. Thus, the global pandemic Covid-19 had brought in gloomy effects on this company too.

**CONCLUSION**

Despite the impact of the pandemic, the transition towards less-polluting energy remains on the agenda for the company and there are growing calls for the post-Covid-19 recovery to be underpinned by actions driving a "green economy". Additionally, an increasing number of countries and companies have undertaken to achieve net zero emissions by 2050. Not only SGRE, but every business around the globe are taking the negative impacts of the pandemic in a sportive way and are gearing up to make up all the losses that they had incurred. This clearly portrays that the businesses have learnt to cope up with such situations and can handle any circumstances in the near future. All the losses and negativity faced are therefore taken positively and gives an opportunity for the businesses to prosper.

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# A STUDY ON IMPACT OF COVID-19 ON E-COMMERCE

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## ABSTRACT

The worldwide spread of the COVID-19 pandemic has disrupted how people buy products and services and how they perceive e-commerce. The standardized lockdown rules across India and the growing hesitation among consumers to go outside and shop for essential goods have tilted the nation towards e-commerce. Since the norm of social distancing has been initiated for almost the entirety of 2020, the scope of online purchases and businesses is expected to surge. Many people are embracing the concept of online retail.

Consumers have switched from shops, supermarkets, and shopping malls to online portals for the purchase of products, ranging from basic commodities to branded goods.

An attempt has been made to observe and evaluate how Amazon is coping up with the Pandemic and the surging demand. Observation is done based on the various strategies and techniques used by Amazon to retain their position despite the pandemic situation

## INTRODUCTION:

The pandemic has brought in a huge crisis that has not only affected people but also many industries. One of the industries which are hard struck by the pandemic is e-commerce. Due to various lockdown rules implemented and out of fear, there is a sudden shift in preference from physical retailers to online retailers. Recent statistics prove that this year has the highest usage of e-commerce than one has ever witnessed. Though it's presumed that e-commerce would benefit from this, they have also been hugely affected. Where on one hand, physical retailers are losing their customers, e-commerce on another hand cannot meet the surging demand. Many people would have already witnessed a sudden surge in demand for these essential goods. As there is a drastic change in the consumer-buying patterns who are trying to stock themselves with essential goods, increased demand for those goods. Because of which online retailers across the world are running low on supplies and are finding it difficult to manage their inventories. Even the biggest online retailer like Amazon, who are equipped with the best and efficient supply chains are also struggling in this pandemic situation. This period can be presumed as a challenging situation they have ever faced. This study investigates tactics used by Amazon to overcome this challenging phase.

## RESEARCH GAP:

Though there is a lot of research paper that gives us an account of the current situation of how pandemic has affected people across the world in aspects of their health, income, consumer behavior. There are hardly any which provides an insight into how the pandemic has affected the e-commerce part of the world. This paper tries fulfilling the unexplored parts and the effects of the Covid-19 pandemic. In addition, have tried to answers the questions that interest a lot of people, in aspects of how this industry is trying to cope with the current changes accounting for the situation of the contemporary world.

## OBJECTIVES:

- How pandemic has affected consumer behavior.
- To understand the tactics and methods used by Amazon to cope with the changes.
- Has Amazon succeeded in its attempt?

**RESEARCH METHODOLOGY**

- All the data used in the field of research are wholly dependent on secondary data from trusted sites.
- All are thoroughly checked with compliance.
- Statistics or the graph presented are also taken from a secondary source.
- All the data are related to the topic and are taken from the recently published survey regarding the changes after the outbreak of Covid-19 in the world.

**DATA ANALYSIS AND INTERPRETATION****HOW IS THE CONSUMER BUYING PATTERN AFFECTED BY COVID-19?**

A huge shift in consumer choice of products can be witnessed in the pandemic. There is an increase in demand for certain goods like household staples, sanitizers, toiletries, etc. Due to the pandemic which can be classified as essential goods. The bar chart below shows how the demand for certain goods is been affected hugely due to the pandemic when compared to the previous year (2019).

The bars on the right side show the increase in demand for the goods and the bar on the left side show a decrease in the demand for the goods. Most of the goods whose demand has increased are the essential ones. Where on the other side demand for goods like skincare, automotive, school supplies, electronics are been negatively affected due to the change in consumer preference.

**STRUGGLES FACED BY AMAZON**

Amazon remains one of the few companies to benefit from the coronavirus pandemic with surging online sales helping it report profits in July. It did not get there without navigating a slew of challenges, including a labor crisis that drew public scrutiny from lawmakers, regulators, and workers' rights groups. Amazon's supply chain was hit hard, resulting in delivery delays and out-of-stock notices. The surge of unexpected orders initially caught Amazon off guard. The company struggled to meet its vaunted two-day delivery window, which it promises to Prime members as part of their \$119 annual membership fee. It quickly ran out of high-demand products such as hand sanitizer and paper towels, combated widespread price gouging, and rushed to adjust operations inside its warehouses to keep employees safe without significantly slowing down the pace of work.

**HOW IS AMAZON MANAGING ITS INVENTORY WITH THE SURGING ONLINE ORDERS OF THE CONSUMERS?****FBA( Fulfillment by Amazon) :**

It is a service provided by Amazon to third-party vendors where they can store their products in Amazon fulfillment centers and the e-commerce giant picks, sorts, packs, ships, tracks and handles returns and refunds for these products. Amazon by providing incentives is trying to bring in new vendors to meet the surging demand for the goods.

**PRIORITIZING GOODS :**

Amazon is prioritizing the essential goods like household staples, toiletries, etc. so that they can fill their fulfillment centers with these essential goods.

**EXPANDING WAREHOUSES :**

Amazon is trying to expand its warehouse to stock more essential goods. The company brought on more than 175,000 new warehouse and delivery workers between March and mid-April to be able to fulfill customer orders. Along with buying new warehouses, they are also turning their shops into warehouses.

**HOW ARE THEY TRYING TO IMPROVE THEIR DELIVERY SERVICES?**

- The company has added more warehouse and delivery workers across the country to help meet a surge in demand due to the coronavirus outbreak. Amazon is hiring 75,000 additional workers after it filled more than 100,000 positions in the last month.



- Amazon is putting new online grocery customers on a waitlist and is reducing hours at some physical Whole Foods stores to help workers fulfill more online orders as it adjusts to increased demand amid the COVID-19 crisis.
- Particularly in India, Amazon tied up with Indian railways in 2019 which worked in their favor during this situation. Amazon in India transported consignments via rail across the country and is leveraging the 'COVID-19 Parcel Special Trains' introduced by the Indian Railways to ramp up its operations to 55 lanes during the lockdown period.

### HOW IS AMAZON DEALING WITH INTERNET TRAFFIC?

- As internet usage has enormously increased during the lockdown it has led to an increase in internet traffic. Which affected the smooth working of the amazon online services. To enhance this they reduced their bandwidth.
- As the most commonly searched keyword during the lockdown was related to the essential goods, using a particular software that identifies the keywords which classify a particular search as essential or not they have tried to remove the ads displayed on the webpages of essential goods to reduce the traffic.

### HOW ARE AMAZONS SALES BEEN AFFECTED?

The most important question which interests most of the people is how Amazon sales are been affected during the pandemic. Pandemic has a huge impact on the sales of Amazon. Due to the surge in demand and the change in consumer behavior. Gladly there has been a positive impact on the sales of Amazon.

The multiple bar chart below shows sales made in three different quarters of three different years.

- As you can see that during quarter 1 among two different years quarter 1 of 2020 made the highest sales. The sale increased from 35.81 to 46.13% when compared to 2019.
- In quarter 2 among two different years, quarter 2 of 2020 made the highest sales. The sale increased from 38.65 to 55.44% in 2019.
- In quarter 3 amazon made the highest sale yet again in 2020. Again among two different years, quarter 3 of 2020 made the highest sales. The sale increased from 42.64 to 58 % in 2019

This proves that the highest sale made by amazon was in 2020 despite all the pandemic.

### DID AMAZON MAKE PROFITS?

Though Amazon had the highest sales during 2020, was it able to make actual profits? Amazon had to incur lots of costs as it had to set up a warehouse and hire people to meet the surging demand of the consumers.

The following two graphs show the resulting revenue and profits of Amazon for Three years

- From the above graph it is clear that in **the first quarter**, Amazon made the highest revenue in the year 2020. It **increased its revenue by 15.8 billion** when compared to 59.7 in the year 2019.
- In **the second quarter**, Amazon made the highest revenue in the year 2020. It **increased its revenue by 25.5 billion** when compared to 88.9 in the year 2019.
- In **the third quarter**, Amazon made the highest revenue in the year 2020. It **increased its revenue by 21.2 billion** when compared to 70 in the year 2019.
- Therefore Amazon made the highest revenue in the year 2020
- From the above graph, it is clear that Amazon's profit decreased by 1.1 in the year 2020 when compared to the profit 3.6 made in the year 2019.
- In quarter two amazon redeemed itself and increased the profit by half i.e., 2.6 when compared to 2.6 in the year 2019.
- In quarter two amazon increased the profit by 3.8 when compared to 6.3 in the year 2019.

Though amazon made losses in the first quarter of the year it can be justified as it had to incur a huge cost to establish new warehouses and hire people. However, it redeemed itself by making a margin of high profits in the next two quarters.

### CONCLUSION:

Though the pandemic flung many challenges over the Amazon, it could still tackle all of it. They turned every threat into an opportunity and found a new opening for every door closed. Amazon did its absolute best and has successfully fulfilled all

the requirements and demands of their customers. They have also successfully gained a new base of customers in the middle of the pandemic. Amazon has used this pandemic to its advantage and has tried exploring new ends and have enhanced their capabilities. Though they may not be able to stop another pandemic from occurring they sure will find new ways to dampen it and will do their best to protect themselves and provide the necessary aids to others.

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# A STUDY ON TRUST AND PERCEIVED RISK IN ONLINE SHOPPING WITH SPECIAL REFERENCE TO RAMAPURAM

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## ABSTRACT

The Trust and perceived risk are the two vital components which determine the online shopping behaviour. The World Wide Web has propelled in no small extend of changes in the attitude and behaviour of people all over the world .Online shopping has merged which influenced the lives of ordinary people.From this study, the trust and perceived risk in online shopping can be analyses. This present study helps to provide suggestion that prove beneficial to ecommerce companies .This paper is an outcome of the primary survey of 40 respondents.They acquire online shopping information from websites especially from the social network and purchase apparels, accessories mostly through cash on delivery method of payment. The most of the consumers are concern about the security of the payment system, and their overall online shopping satisfaction is mixed.

**Key Words:** perceived risk, trust , online shopping, ecommerce.

## INTRODUCTION

Online shopping has been a growing phenomenon in the world. Today internet is not only a networking media, but also a means of transaction for customers. Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the internet using a web browser.It has been widely accepted in the recent years mainly because people find it easy and convenient. The internet with its wide information allows the customers to go through various reviews of the product or services before purchase. These online shopping websites also have daily deals for the customers. Online shopping is the third most popular internet activity after e-mail uses and web surfing. However online shopping has got its own drawbacks such as reduced opportunities for sensory shopping, lack of face to face interactions, delay in goods ordered, postponement of consumption etc. More over that there is a trust factor that has a great impact on consumer buying motive. Online shopping has got certain potential risk factors that may become a curse in success of online shopping. There are various factors influencing consumer's trust such as integrity, security and privacy

## LITERATURE REVIEW

Kangis and Rankin (1996); “ Online marketing offers great opportunities for one- to- one marketing, it significantly reduced, or oven puts an end to the personal service (human-to-human contract) characterizing traditional commerce”.

Vassos (1996) ; “ In tangible product categories, any home-shopping method involves a delivery time which means that the internet is disadvantage to physical stores as it fails to meet the customers need for instant gratification. Consumers may thus be reluctance to wait for the delivery of ordered goods for days/weeks if the same product can be collected immediately in physical outlets”.

Harvard business review (2000); “The study concludes that some consumers accept to shop from the internet in principle but technical complexities or ineffective systems discourage them”.

Olson and Olsson (2000); “The study argues the importance of one-to-one interaction to build trust among transacting parties since general wisdom is that trust needs touch”.

Cheung and Lee (2001); “Various attempts have been made to uncover the factors determining consumer trust in internet shopping, characteristics of trustworthy online transaction, and external manifestation of trust in offline environments that can be used to build trust in an online context”.

Miyazaki and Fernandez (2001); “The study investigated the relationship among online consumer behavior, perceived risk and levels of the internet experience. Their findings indicated that the internet experience may help consumers reduce risk perception and in turn, increase online purchase rate”.

Cho (2006); “Customers are uncomfortable when they are physically separated from the sales persons and response is not rapid. These effects make e-commerce seem risky due to fear of monetary loss or privacy exposure”.

Smith, D.A & Rupp, T.W (2003); “Strategic online customer decision making; Leveraging the transformational power of the internet”.

## **OBJECTIVES**

- To study the trust factors involved in online shopping.
- To identify various risks involved in online shopping.
- To identify the factors influencing customers to participate in online shopping.
- To determine the most preferred site for online shopping.

## **STATEMENT OF PROBLEM**

This study is mainly conducted for knowing that how many respondents have trust online shopping, what are the risks that have been faced by the respondents and whether they are satisfied with online shopping. It deals with the respondents who use online shopping for the consumption. To identify various risks involved in online shopping. To identify the factors influencing customers to participate in online shopping.

## **RESEARCH METHODOLOGY**

The research methodology adopted for carrying out the study is mainly designed as descriptive work based on primary and secondary data, obtained from the questionnaire.

## **SOURCES OF DATA**

### **Primary data:**

Study is mainly based on primary data and it is collected from 40 customers who conducted online shopping.

### **Secondary data:**

Secondary data is collected from various books, magazines, journals, newspaper and internet.

## **TOOLS OF DATA COLLECTION**

The primary data for the study is collected through structured questionnaire. The questionnaire is pretested and necessary modifications are made in the final draft.

## **SAMPLE DESIGN**

Since the population of the selected locations for the research is very large and all the respondents could not be interviewed due to practical difficulties, only selected samples have been taken up for the study. Sample size of the study is 40. Here it is used convenience sampling technique for collection of primary data.

## **TOOLS OF ANALYSIS**

To analyse the data obtained through primary data, mathematical and statistical tools like percentage is used. For presentation purpose, tables and diagrams are used.

## **LIMITATION OF THE STUDY**

Utmost care has been taken with regard to the data collection, classification and analysis of data. However, the study is subjected to the following limitations.

- Lack of effective response from respondents.
- The respondents have to fill the questionnaire while busy with their day to day activities, many people were reluctant to answer.

## **FINDINGS**

- From the study it is observed that the majority of the online shoppers are from male category (67.5%).
- The study shows that the age group 20-30 are playing major role in online shopping (55%).
- The study observed that graduate level customers are mainly using online shopping (55%).
- It is observed that the other category perform major part in online shopping among the different occupational groups (65%).

## **SUGGESTION**

- The online vendors should create website having informative content to encourage online consumers.
- To provide clear exchange of refund policy to minimize the perceived risk in purchasing.
- To provide more information about the products to compare the price and features with similar competing products.
- To provide more delivery centers in semi urban areas also.

## **CONCLUSION**

The study has been focused on trust and perceived risk in online shopping. It is found that the online buyers are predominantly male, young and educated. Internet usage pattern in terms of average time spent, place of accessing internet, and types of sites visited using internet between both buyers and non-buyers were almost same. The most popular purchases include clothes and electronic products. Majority of the customers also do recommend online shopping to others.

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# A STUDY ON CONSUMER SATISFACTION ABOUT YAMAHA M15 IN SPECIAL REFERENCE TO CHENNAI

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## ABSTRACT

This research analyses about the two wheeler MT15 which comes under Yamaha motorcycle. This survey was done in the Chennai city only. This research analyse the customer satisfaction also towards the Yamaha MT15. From the research it is observed that the Yamaha MT15 are well known for their brand value. The satisfaction is high towards all other factors except the mileage and style factor to be improved. Yamaha motorcycle must provide 360° marketing approach with aggressive promotional campaigning to be followed

## INTRODUCTION

India is one of the largest manufacturers and producers of two-wheelers in the world. India stands next to Japan and China in terms of the number of two-wheelers produced and domestic sales respectively. This difference was achieved due to many reasons like restrictive policy followed by the Government of India towards the passenger car industry, growing demand for personal transport, ineffectiveness in the public transportation system etc. The Indian two-wheeler industry made a minute establishment in the early 50s when Automobile Products of India (API) started manufacturing scooters in the country.

Today market is a more customer oriented in the sense all the business operations revolve around satisfying the customer by meeting their needs through effective service. Thus, business is often dynamic, challenging and rewarding. It can also be frustrating and even disappointing but never dull. What factor affects the two-wheeler purchasing? What factor influences the customers? And so on. To find the solution to these questions the study has been carried out.

## CUSTOMER SATISFACTION

Customer satisfaction means taking complete care of customer by giving them complete knowledge about the product and about all the feature of that particular product. Customer satisfaction is the end result of your interaction with the customer. By giving the best customer service and making sure that the customer was given the best resolution at the end of the call, then we can say that the customer is satisfied even if it's not verbally said.

Customers derive satisfaction from a product or a service based on whether their need is met effortlessly, in a convenient way that makes them loyal to the firm. Hence, customer satisfaction is an important step to gain customer loyalty.

And once you start losing profits, growth and market share, you also lose employee confidence, morale and productivity. Ultimately, excellent employees start to leave the company resulting in employee dissatisfaction. In other words, employee satisfaction also depends on customer satisfaction.

## COMPANY PROFILE

Company Name - Yamaha Motor Co., Ltd.

Founded - July 1, 1955

Capital - 85,797 million yen (as of September 30, 2018)

President - Yoshihiro Hidaka

Headquarters - 2500 Shingai, Iwata-shi, Shizuoka-ken, Japan

Group Companies

Consolidated subsidiaries: 110

Non-consolidated subsidiaries: 3 (by the equity method) Affiliates: 27 (by the equity method) (as of September 30, 2018).

## **SCOPE OF THE STUDY**

In world of marketing, it is essential to know the pros & cons of the product that has been launched in the market. Today's market has become a war of stalwarts; any lean feature will kick out the product out of the fray. As customers become the king of market, the study is an attempt to know the exact expectation of customer attitude towards Yamaha Motors based on performance and mileage and also other factors influencing the purchase of Yamaha MT15.

The research is carried out to find the factors which influence customer satisfaction level to a maximum level. The study projects that customer satisfaction level change with the changes in various factors like performance and change during the delivery of vehicles and after sale evaluation. This research is an attempt to provide feedback to Yamaha motors (Yamaha MT 15) and the show room dealers, so that they can bring out changes in various department in their organization that which will help them in becoming a number of motor cycle company in India.

## **LIMITATIONS OF THE STUDY**

- Present research is geographically restricted to Chennai District only. Hence the result cannot be exploited to other places.
- One of the biggest limitations with the project work is the Time factor.
- The survey was done through online mode, and thus the results may vary a little bit.
- The sample size is small due to insufficient time allotment and specific attention being provided only for MT 15 users.
- The seriousness of the respondent and the ability to justify the answers were also one among the limitations.

## **OBJECTIVES OF THE STUDY**

- To analyze the reason behind Customer Preference towards Yamaha MT 15.
- To measure the efficiency of performance of Yamaha MT 15 in relation to service, mileage, price, etc.
- To evaluate the satisfaction level of customers towards Yamaha Motors with specific reference to Yamaha MT 15.
- To analyze the survey result and provide some valuable suggestion for the betterment in sales of Yamaha MT 15.

## **RESEARCH METHODOLOGY**

### **Primary Data:**

Data has collected through survey by sending the questionnaires through mails and other online sources.

### **Secondary Data:**

Data is collected through journals, company website, magazines etc.,

### **Research process:**

A questionnaire is developed and sent to various samples and collected the data and analyzed the data based on various parameters which we previously stated.

## **RESEARCH DESIGN:**

- Questionnaire is being prepared and corrected the mistakes in it.
- Sent it to sample customers
- Got 100 responses
- Analyzed the data and kept it in a format
- Interpreted the data and drawn the outputs
- The final data is stated in the form of graphs

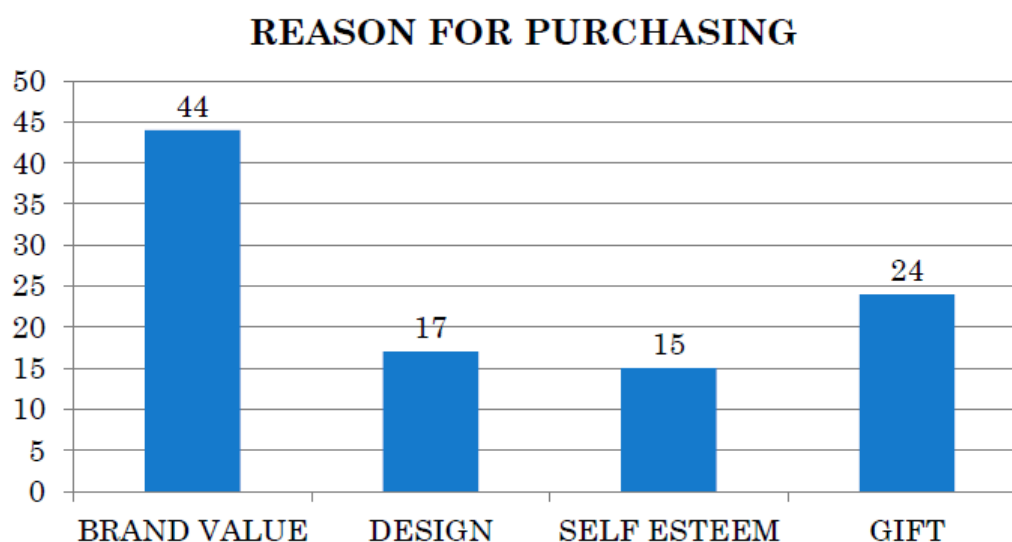


## REVIEW OF LITERATURE

A. Inayathulla and U. Vijayashankar (2018), Automobile sector is one of the evergreen part in everyone life. India is one of the biggest manufacturer and producer of two wheelers in the world. It stands next only to Japan and China in terms of the number of two -wheelers produced and domestic sales respectively. The India two- wheeler industry made a small beginning in the early 50's when automobile products of India (API) started manufacturing scooters in the country. Customer satisfaction is the degree of satisfaction provided the goods or services of a company as measured by the number of repeat customer. The main objectives are to find out the customer satisfaction and loyalty towards Yamaha bikes. Descriptive research is followed in this research

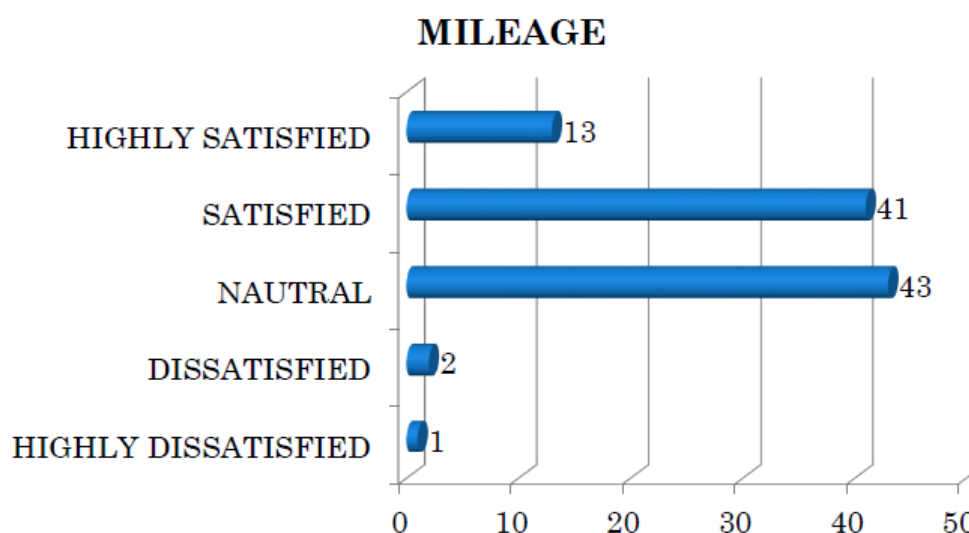
Anil Kumar (2016), the automobile industry today is the most lucrative industry. High quality in service sector is important for competitiveness of service industry. Service Quality is an essential matter for business in both public and private sectors. In order to improve satisfaction of customers' problems related services must be solved first, as customers are much concerned about after sales service. Satisfying customers is mainly belonging to identify their needs and demands to achieve targets. This paper aims to know about the quality in automobile service sector, importance of customers' satisfaction and strategies that can help to enhance quality service.

The below is the graph depicting the major reasons of purchasing the Yamaha MT 15 with respect to the sample survey taken

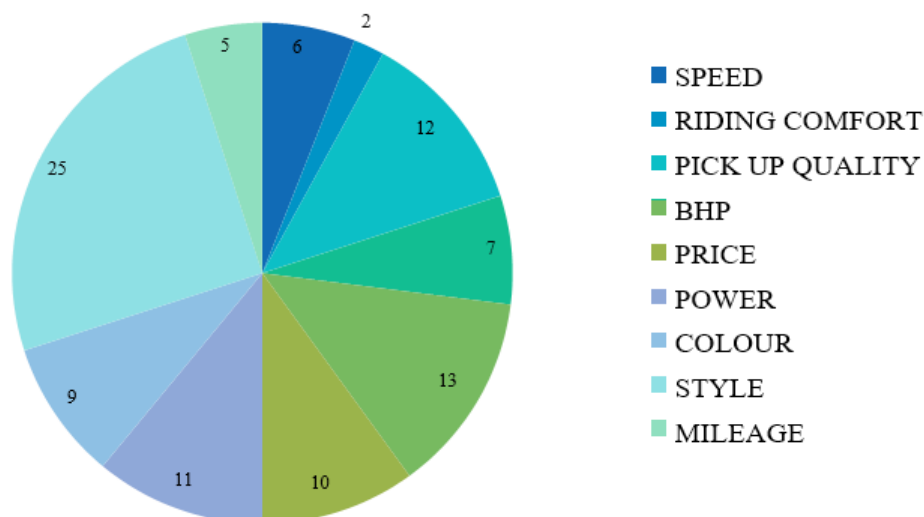


The below graph is the interpretation of people's satisfaction with the major factor mileage in Yamaha MT15 bike

## MILEAGE



The below pie diagram is the depiction of suggestions given by people for the factors that to be improved in Yamaha MT15 bike



## FINDINGS

It was observed that majority of the respondents have bought the bike for its brand value with regards to customer satisfaction towards Yamaha MT 15. It was observed that majority of the respondents have a neutral opinion about the bike's mileage with regards to customer satisfaction towards Yamaha MT 15. It was observed that majority of the respondents feel that the style factor of the bike has to be improved in future with regards to customer satisfaction towards Yamaha MT15. It was found that majority of the respondents feel that the bike is worth to buy with regards to customer satisfaction towards Yamaha MT 15. It was identified that majority of the respondents have given the rating 3 for the overall performance of the bike with regards to customer satisfaction towards Yamaha MT 15.

## SUGGESTIONS

Focus should be on teenagers, youngsters and executives as they represent largest portion of the bike users' segment. Looks and style must be over stressed and improved as compared to quality and mileage. 360 degrees marketing approach with aggressive promotional campaigns should be followed. Customers have given an average rating of 3 for the after sales service provided and thus the company can focus more on that aspect to improve the rating to 5 which indicates that the customers are highly satisfied with the after sales service provided in case of Yamaha MT15.

## CONCLUSION

Customers for two wheelers are increasing day by day. In order to keep its customer satisfied the various two-wheeler firms have adopted various techniques that would help them to fulfill the needs of their customers. Increasing usage of motor cycle is heading to back pain and discomfort to the customers. So, the customers are now having more inclination towards the two-wheelers which are offering comfort through the latest technology like button starter and shock absorber. "YOUTH" is the target for Yamaha and almost all the factors are being updated and modified according to their requests and preferences. We conclude from the survey that Yamaha bikes are well known for their designs and performance and we have found that the satisfaction level of customers is very good with reference to Yamaha MT 15 in various categories like age group, gender, income levels, mileage, power, reason for buying it, service and performance and factors that influenced them to buy Yamaha MT 15. Thus, the overall satisfaction level of the customers is very good in case of Yamaha MT15.

# A STUDY ON JOB SATISFACTION ON JOB PERFORMANCE OF EMPLOYEES.

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## ABSTRACT

Job satisfaction refers to a person's feeling of satisfaction on the job, which acts as a motivation to work. It is not the self-satisfaction, happiness or self-contentment but the satisfaction on the job. Job satisfaction relates to the total relationship between an individual and the employer for which he is paid. Satisfaction means the simple feeling of attainment of any goal or objective. Job dissatisfaction brings an absence of motivation at work.

## INTRODUCTION

Work is a central part of almost everyone's life. Adults devote almost all of their waking time to work as career development makes up almost 70% of all human developmental tasks. Hence it is important that the employees feel a sense of satisfaction with their job or else it might lead to frustration, anger and in some cases even depression. Perceived satisfaction on the job is reflected by the needs of sense of fulfilment and expectation for the job to be interesting, challenging and personally satisfying. Job satisfaction is also an achievement indicator in career developmental tasks. There are numerous studies on job satisfaction, and the results are often valued for both humanistic and financial benefits. When employees are satisfied, they tend to care more about the quality of their work, they are more committed to the organization, they have higher retention rates, and they are generally more productive. The present times are very competitive and hence there is a lot of pressure for each organization to be the best for this reason, organizations now demand for the better job outcomes. In fact, modern times have been called as the "age of anxiety and stress".

## DEFINITIONS:

Siegal and Lance (1987) stated that 'job satisfaction is an emotional response defining the degree to which people like their job.' Vroom (1982) defined job satisfaction as workers' emotional orientation toward their current job roles. Similarly, Schultz (1982) stated that job satisfaction is essentially the psychological disposition of people toward their work.

Finally, Lofquist and Davis (1991), defined job satisfaction as "an individual's positive affective reaction of the target environment as a result of the individual's appraisal of the extent to which his or her needs are fulfilled by the environment".

## The Concept of Job Satisfaction

During the earlier stages of researches, efforts were made to correlate job performance with job satisfaction and it came out with the complementary nature of these entities each other, implying a positive correlation among them. But later on, some studies revealed that good job performance leads to higher job satisfaction, however the reverse found non-significant. Evaluating the performance of an employee in an organization is not only having concern with how much satisfied he is with the job, but also with so many other factors like his professional independence, organizational commitment, emotional intelligence, disciplined nature, collaborative working style, organizational citizenship behavior, etc. Job satisfaction is a psychological attribute of the employee which he enjoys, whereas, job performance is the practical reflection of that employee's aptness to that profession, which make the employer rejoice.

**Objectives of the study**

- The main objective of the study is to investigate the impact of job satisfaction level of the respondents on their respective performance evaluation.
- The study tries to find out the relationship between the Job Satisfaction factors and the performance evaluation.

**Job Satisfaction Importance**

Job satisfaction is a frequently studied subject in work and organizational literature. This is mainly due to the fact that many experts believe that job satisfaction trends can affect labour market behaviour and influence work productivity, work effort, employee absenteeism and staff turnover. Moreover, job satisfaction is considered a strong predictor of overall individual well-being, as well as a good predictor of intentions or decisions of employees to leave a job.

Job satisfaction is also important in everyday life. Organizations have significant effects on the people who work for them and some of those effects are reflected in how people feel about their work. This makes job satisfaction an issue of substantial importance for both employers and employees.

As many studies suggest, employers benefit from satisfied employees as they are more likely to profit from lower staff turnover and higher productivity if their employees experience a high level of job satisfaction. However, employees should also 'be happy in their work, given the amount of time they have to devote to it throughout their working lives'.

**Three main factors of Job Satisfaction:**

There are different factors on which job satisfaction.

**(i) Personal Factors:**

They include workers' sex, education, age, marital status and their personal characteristics, family background, socio-economic background and the like.

**(ii) Factors Inherent in the Job:**

These factors have recently been studied and found to be important in the selection of employees. Instead of being guided by their co-workers and supervisors, the skilled workers would rather like to be guided by their own inclination to choose jobs in consideration of 'what they have to do'. These factors include- the work itself, conditions, influence of internal and external environment on the job which are uncontrolled by the management, etc.

**(iii) Factors Controlled by the Management:**

The nature of supervision, job security, kind of work group, and wage rate, promotional opportunities, and transfer policy, duration of work and sense of responsibilities are factors controlled by management. All these factors greatly influence the workers. These factors motivate the workers and provide a sense of job satisfaction.

Though performance and job satisfaction are influenced by different set of factors, these two can be related if management links rewards to performance. It is viewed that job satisfaction is a consequence of performance rather than a cause of it.

Satisfaction strongly influences the productive efficiency of an organisation whereas absenteeism, employee turnover, alcoholism, irresponsibility, non- commitment are the result of job dissatisfaction. However, job satisfaction or dissatisfaction forms opinions about the job and the organisation which result in boosting up employee morale.

**REVIEW OF LITERATURE.**

According to the researches' outputs available so far, job satisfaction level is exposed maximum in the jobs like Physical Therapists, Authors, Psychologists, Fire fighters, Teachers, Educational Administrators, Painters, Sculptors, etc. The

professions where the job satisfaction is observed with least significance are Laborers (excluding those in construction field), Clothing salespersons, Furnishing Salespersons, Packagers, Food preparers, Food servers and material handlers, etc. (Schultz D, 2010.)

Evidently, job satisfaction, is been constituted with numerous facts and the major dimensions to this regard are pay, the work itself, promotions, supervision, work group, and working conditions mentioned in a study about the relationship in between job satisfaction and job performance has a controversial history (Luthans 1985). Saari and Judge (2004: 395). Soon after the disposals by the Hawthorne studies, the world wide researchers interpreted the happy worker, as a productive worker. In the earlier days of researches, a weak or somewhat inconsistent relationship was presumed in between job satisfaction and performance.

An employee stayed back in an organization for a long tenure was observed as investing mentally and physically in a better manner rather than a younger employee. Extensive researches could thereby prove a positive correlation between professional experience and job satisfaction (Lim and Teo, 1998). Even though the same inference could be matched up by the research of Smith et al, (1969), he could also conclude at the fact of highest satisfaction experienced by the workers with an experience of less than six months. In his study, Morgan et al (1995) brought to a close that there is a correlation between these two variables and job satisfaction seems to be greatly reduced in the older employees with many years of professional experience.

Another important demographic feature is the hierarchical level to which the employee belongs. According to the researches people who work at higher levels of management are more satisfied. Oshagbemi (1997) observed a positive correlation between job satisfaction and the hierarchical level to which an employee belongs to. In 2003, O Pors reached the same attention-grabbing end of finding a lesser degree of satisfaction among the lower tier employees, and the reasons being the lack of freedom and autonomy.

According to Skibba (2002) the underlying theory of reciprocal model is that if the satisfaction is extrinsic in nature, then it leads to performance, and the performance leads to satisfaction, in case of an intrinsic quality in satisfaction. Also she speaks about the relationship in between job performance and job satisfaction as a follow up of social exchange theory, in which the job performance is to be regarded as a return by the employee to the organization from which they get their satisfaction. This study also reminds that, to the best of industrial psychologists' belief, there is no relationship between job satisfaction and job performance; although it is revealed that a positive mood would lead to higher levels of both the features.

### **Steps to improve Job Satisfaction.**

The leaders of the organization have the responsibility for creating a high level of job satisfaction. Dr. Edwards Deming said, "The aim of leadership should be to improve the performance of man and machine, to improve quality, to increase output, and simultaneously to bring pride of workmanship to people." A motivating environment is one that gives workers a sense of pride in what they do. To show supervisors and managers how to build a more productive work environment, I've created a five-step process called the PRIDE system. Leaders can improve motivation within their organizations by following this process:

- Provide a positive working environment
- Reward and recognition
- Involve and increase employee engagement
- Develop the skills and potential of your workforce
- Evaluate and measure job satisfaction

**STEP 1: PROVIDE A POSITIVE WORKING ENVIRONMENT**

Creating job satisfaction begins by first providing a positive work environment. Fran Tarkenton says, to find what motivates people, “you have to find what turns people on.” This is the most important factor in the process. A motivating working environment requires going over and beyond the call of duty and providing for the needs of the worker.

Walt Disney World Company provides an excellent work environment for their employees or “cast members.” Employee assistance centers are spread strategically across the theme park. Some of the services included employee discount programs, childcare information, money orders, postage stamps, check cashing, and bus passes. The Walt Disney Company realizes that taking care of their employee’s needs keep them motivated, on the job and loyal to the company.

**STEP 2: REWARD AND RECOGNITION**

Mark Twain once said, “I can live for two months on a good compliment.” Personal recognition is a powerful tool in building morale and motivation. A pat on the back, a personal note from a peer or a supervisor does wonders. Small, informal celebrations are many times more effective than a once a quarter or once a year formal event. Graham Weston, co-founder and CEO of Rackspace Managed Hosting, gives the keys to his BMW M3 convertible for a week to his top performing employees. This creative way to reward employees has a bigger impact than cash. He says, “If you gave somebody a \$200 bonus, it wouldn’t mean very much. When someone gets to drive my car for a week, they never forget it.” The important point is pay and money does not necessarily create job satisfaction. There has to be something more.

**STEP 3: INVOLVE AND ENGAGE THE WORKFORCE**

People may show up for work, but are they engaged and productive? People are more committed and engaged when there is a process for them to contribute their ideas and employee suggestions. This gives them a sense of ownership and pride in their work.

The Sony Corporation fosters the exchange of ideas within departments by sponsoring an annual Idea Exposition. During the exposition, scientists and engineers display projects and ideas they are working on. Open only to Sony’s employees, this process creates a healthy climate of innovation and engages all those who participate

**STEP 4: DEVELOP WORKER’S SKILLS AND POTENTIAL**

Training and education motivates people and makes them more productive and innovative. At Federal Express, all customer contact people are given six weeks of training before they ever answer the first phone call. Learning never stops and testing continues throughout their employment tenure. Every six months customer service people are tested using an on-line computer system. Pass/fail results are sent to each employee within 24 hours. They receive a personalized “prescription” on areas that need reviewing with a list of resources and lessons that will help. Federal Express’ intensive training and development program has resulted in higher motivation and lower turnover.

There are many reasons training and development makes sense. Well-trained employees are more capable and willing to assume more control over their jobs. They need less supervision, which frees management for other tasks. Employees are more capable to answer the questions of customers which builds better customer loyalty. Employees who understand the business, complain less, are more satisfied, and are more motivated. All this leads to better management-employee relationships.

**STEP 5: EVALUATE AND MEASURE JOB SATISFACTION**

Continuous evaluation and never ending improvement is the final step of the PRIDE system. Evaluation is a nonstop activity that includes a specific cycle of steps. The primary purpose of evaluation is to measure progress and determine what needs improving. Continuous evaluation includes, but is not limited to, the measurement of attitudes, morale, and motivation of the workforce. It includes the identification of problem areas needing improvement and the design and implementation of an improvement plan. Good organizations conduct a job satisfaction survey at least once a year.



Businesses have searched far and wide for the competitive advantage, the best equipment, robotics, or the latest business technique. These devices provide only temporary solutions. The true competitive advantage is trained and motivated people proudly working together, contributing their vitality and energy toward the goals of the enterprise.

## CONCLUSION:

Job satisfaction is an important aspect that helps organization improves their overall performance and productivity. Besides that, the employee turnover rate may have a dramatically decrease since the employees satisfy with their current job. The organization can also prevent wasting money in recruiting and training new employees. An employee with high level of job satisfaction may perform well and put in more effort in his/her job. However, the employees with low level of job satisfaction may bring a lot of effect to the organization. For example, the employees may have negative attitude, betray their organization and increase complaint and absenteeism. These negative effects may cause the company lose image and reduce their performance and productivity.

There are a lot of factors that influence employee job satisfaction. When the employees are affected by these factors, they will dissatisfy their current job, have poor performance and even retain the job. According the research of SHRM, the main five reasons are job insecurity, workload and opportunities to use abilities, relationship between manager and subordinates, pay and communication between manager and subordinates. These factors are usually effect employees have low level of job satisfaction toward the organization. The other factors like working condition, respect from co-worker and career advancement opportunities may also influence a minor part of employees. Manager and higher management should pay more attention in these areas in order to retain their employees.

The strategies that can be used in industries to ensure job satisfaction are Maslow's hierarchy of needs theory, ERG needs theory and job characteristic model. Maslow's hierarchy of needs theory can be used in construction industry to fulfill their needs and make their employee more satisfy with their job. This is because they are less educated and no further plan for their future. However, most of the industries are using ERG needs theory to satisfy their employees. ERG needs theory is more flexible and it can fulfill one or more employees' needs in the same time. Lastly, job characteristic model can be used in production industry, restaurant industry, hospitality industry and nurse industry to improve employees' job satisfaction. As their job are repeating and tedious, redesigns their job to increase their level of job satisfaction.

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# STRATEGIC HUMAN RESOURCE MANAGEMENT – A SUSTAINABLE HUMAN RESOURCE MANAGEMENT

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## ABSTRACT

Strategic human resource management (SHRM), is a deep and affluent one. An elaborate manner explanation is needed in strategic human resource management. Human resource management (HRM) is a dominant approach emerged from Strategic human resource management. Since years passes the new approaches has evolved in human resource management (HRM). Sustainability is replete with linguistic difficulties. Sustainable HRM is considered in various ways. This paper, researches on the major features of strategic human resource management and the relationship of SHRM and sustainability. The organisational outcomes which in itself is broad. The positives and negatives effects of the aspects. The major characteristics of sustainability of HRM. The focus on human resource and the outcomes. Sustainable development has a very important contribution to the organisation. Its activities has increased corporate reports.

**Keywords:** Strategic human resource management, Human resource management, Sustainability development, Corporation.

## INTRODUCTION

A higher response to a global public sensitivity and awareness in contributing towards business organisations- play an important role in ecological, social and economic problems. An increasing numbers of organisations – willing to report economic, social and ecological stability and sustainability performance. Sustainability HRM, embraces the growth of the practitioner & academic literature connects to corporate sustainability.

## SUSTAINABLE HRM – THE EMERGENCE

Sustainable Development, ‘ development that meets the need for the present without compromising the ability of future generations to meet their own needs.’ Defined by The World Commission on Environment & Development. This has greatly influenced the sustainable development in the corporates. Sustainable HRM involves in taking a pro-active steps in developing the relations between the internal & external resources. Accountability of the company executives is tied in the interests of the shareholders.

## SCOPE & LIMITATIONS

An examination of Sustainable HRM, there could be some limitations. As, Sustainable HRM is a recent area of research. There are number of core attributes and concepts related to sustainability. National- level home country influences the study, particularly with global value chain analysis. The analysis of a small sample is commonly accepted.

## CONCLUSION

Sustainable HRM is an emerging concept that contributes to the organisation. Widely used by the scholars in the social accounting, to examine the contents of corporate sustainability reports, to assess the working of the companies and reaching the limit of the benchmark, the frameworks of the GRI provided. Sustainable HRM with a parallel contributions will generate

new insights for HRM in the organisation working for sustainable development. Exploring international differences in Sustainable HRM which is been neglected. The national- regulatory influences sustainable practices.

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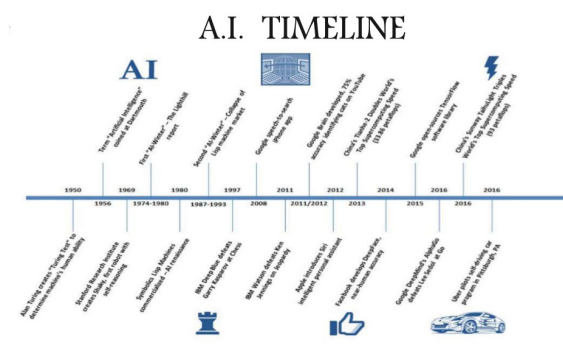
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## ABSTRACT

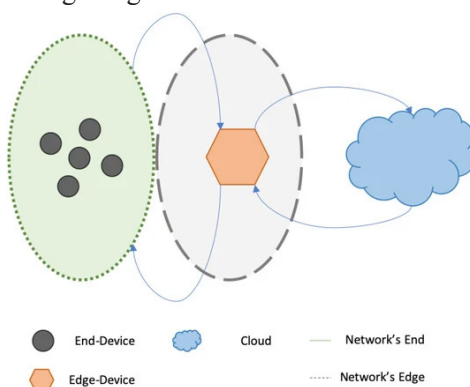
Artificial intelligence (AI) has a unique innovation in recent decades, but today everything has become upside down , after the post-pandemic situation everyone started moving towards AI augment and learning computer languages. Even education system has walked a long way to change the traditional learning.Sometimes, we don't even realise it when a new AI-powered system, tool, or product appears and outperforms us, humans. In fact, AI is affecting human life on all kinds of levels varying from:

- The automation of tedious, time-consuming tasks to;
- The augmentation of human capabilities and;
- The amplification of human functions.

## INTRODUCTION



Artificial intelligence first introduced in early 90s, Alan Turing represents Turing text to prove human ability. From this started a new era of taking machines as a living thing



This is the actual mechanism of an AI tool to make the candidate and HR to function in an online mode. Edge device is the user, he is the decision maker regarding the information he is accessing, gathering and stores certain data. End device can be called “the boss” as it receives the data from the user and verify, in this HR takes the role of end-device. Cloud is for storing the document which are created for official works or some important documents at the site.

### **The change**

Predictive Human Capital Management (HCM) tools powered by the behavioural analysis: The new generation of HCM suite solutions will need to take human behaviour into consideration to build more effective processes that can predict and modify behaviour better.

Online demand for AI enabled platforms to enable remote work: With the remote, anytime-anywhere style of working on the rise, platforms that allow teams to collaborate better across time-zones and geographies will carve out a niche for themselves.

Intelligent chatbots to change the way HR interacts with candidates and employees: There has been a shift in the quality of conversations chatbots can hold and they are only going to get better at mimicking actual human conversation. This will free up a lot of time for HR teams and enable them to mine the data in these conversations to make better strategic decisions.

AI-based recruiting to focus on eliminating bias to build inclusivity: Inclusive organisations that are conducive to the cultivation of diversity are quickly becoming the most coveted employer brands. AI tools that help in eliminating bias, prejudice and discrimination are sure to set organisations on the path of equal opportunities and greater inclusivity.

Increased accountability with more transparent tech and data-driven HRMS: People management solutions powered by data not only bring in greater transparency but also an increased level of ownership and accountability which in turn leads to better performance on the job.

Better teamwork with tech-enabled collaborative tools: Tech tools that encourage seamless collaboration will help teams to pool their resources better and tackle challenges with their collective skill-set and intelligence.

Individualised learning plans on interactive LMS to improve the learner experience: AI-enabled learning formats have been proven to increase engagement and these will continue to make their way into mainstream organisational learning frameworks and provide employees with the level of personalisation that they require.

Improved and agile processes driven by AI to elevate the employee experience: As organisations continue to try and attract top talent, workplaces offering the best employee experience will continue leading the race. With that in mind, investments in AI tools for everyday work will rise.

More industry data-driven benchmarking of compensation and benefits: Using AI-enabled data translators will allow organisations to amass and analyse huge amounts of data and help in more insightful benchmarking when planning pay packages and benefits programs.

More involved career-pathing to enable talent mobility: Applying AI to competency mapping, succession planning and career pathing ensures the implementation of data-backed decisions that lead to long-term employee engagement.

Gamification to enable learning and skill-based measurements: AI-enabled gamification is sure to make its way into mainstream learning modules and assessment structures because they add the essential elements of fun and winning to processes that could otherwise be tedious.

Continuous performance management with AI: With real-time feedback and review mechanisms, more democratic and autonomous workplaces will truly thrive while building a culture of accountability and transparency.

AI-powered on-the-job simulated training tailored to specific needs: Simulated training environments will proliferate, especially with virtual reality (VR) enabled systems that allow real-time feedback.

Enabling mobile workplaces with anytime-anywhere access: This is a trend that has been growing as the workplace gets more digital and more dependent on AI offerings. The right AI and tech tools in place not only enables employees to connect better with work but also strengthens the employer brand. Being able to log into work from anywhere, at any time, will ensure an elevated employee experience.

Human and AI collaboration for better decisions: Decision-making, though thought of as an essentially human skill has been proven to be greatly aided by data-driven AI tools. Human-AI collaboration in human resource decision making will be interesting to study over the coming months.

AI-dependent data and risk management for cloud-hosted systems: As organizations move towards tighter security in systems and processes, AI tools that help further that cause will gain popularity. Moreover, the current boom in data protection service companies seems to be ready to grow further.

The rise of super jobs: Jobs that put together the best of human skills and AI abilities will quickly become the new norm for the current generation of workers as we prepare for seamless human-AI collaboration in all aspects of work.

AI is viewed as a partner rather than a threat: A shift in the mindset of the average worker is imminent – from regarding AI as a threat to appreciating the technology as a valued partner for more effective work.

AI to be used to create a culture of wellbeing and happiness at work: The need and search for happiness at work will propel organisations to look at how AI can be harvested to engage, motivate and nurture the workforce more holistically. Increase in income as AI helps in better inflation-friendly wealth-management: With tech tools carving out inflation-protected avenues of revenue, the world of work is also sure to reap the benefits of growing income despite the current economic downturn.

What Will You Gain From HR Trend-watch?

Being cognisant of these trends it will help you to:

- Place yourself based on where you stand in your AI in HR journey
- Get glimpse into the road ahead for AI, AR and VR and create a roadmap that makes sense for your uniqueness in organisational needs
- Understand how to adapt to the upcoming trends to stay ahead of the challenges
- Building a workforce that is empowered to break the trend barriers and ready to face the change

## GENERAL A.I. AGENTS WITH PLATFORMS



Some of the challenges for Artificial Intelligence in India are:

### Lack of Expertise

Due to the age-old incompetent curricula followed in most of the educational institutes in India, there's a lack of adequate talent to build and deploy AI systems at scale. Job roles and skills tend to change very rapidly. According to a recent study, only 4% of AI professionals have worked on trending technologies, such as neural network.

### Low Awareness of AI

This scarcity of adept AI professionals has discouraged any scope of awareness on what AI is and how it can benefit businesses. Most of the public enterprises and government agencies find the technology unreliable and, hence, refrain from adopting it for their businesses.

### Inaccessibility of Computing Infrastructure

Exorbitant price and low availability of computer infrastructure have made the development and deployment of AI systems strenuous. For instance, although rapidly growing, the Cloud infrastructure in India is less capable than that followed by developed nations.

This dearth of quality infrastructure has led many new AI startups to establish their businesses overseas, leaving their industry-related strategies and data out of reach from Indian researchers and enthusiastic public.

### Concentrated Power

Industry-specific data from established startups can be used as guidelines for building new AI platforms and solutions. But, inaccessibility of such data makes it very difficult for new startups to make their mark amidst the already-growing giants, like Facebook and Google. This leaves the reins of AI in the hands of a few major players, outcasting the rest.

## OBJECTIVE

- To understand the introduction of Artificial Intelligence.
- To study AI application in Strategic Human Resource Management
- To put forth the idea of innovative tools available for HR management

## REVIEW AND LITERATURE

Artificial intelligence and recruitment, admission, progression, and retention

By Marguerite J. Dennis(1)

Marguerite J. Dennis has been a higher education administrator for more than 40 years, at St. John's University in New York; Georgetown University in Washington, D.C.; and Suffolk University in Boston. A July 7, 2018, article in The New York Times, cites research by Erik Brynjolfsson, an economist at the Massachusetts Institute of Technology; and Tom Mitchell, a Carnegie Mellon University computer scientist, who conclude that jobs will be partly automated rather than disappear altogether.

I agree with this assessment as it relates to the future of AI in recruitment, admission, progression, and retention plans and programs. I also believe administrators charged with the responsibility of enrolling and graduating students cannot ignore the role AI will play in the future.

Artificial Intelligence based Strategic Human Resource

Management (AISHRM) for Industry 4.0 by KR samarasinghe and Dr. Ajith Medis(2)

Has stated that even though AI is being introduced, there are some situation where we need to control and manage the augmented statements. Human capital may struggle due to illiteracy in digital technology and also to mend them it may be difficult as it needs special skills and techniques, Even though AI makes the works simpler but the essence of work culture disappears and even health complications raises.

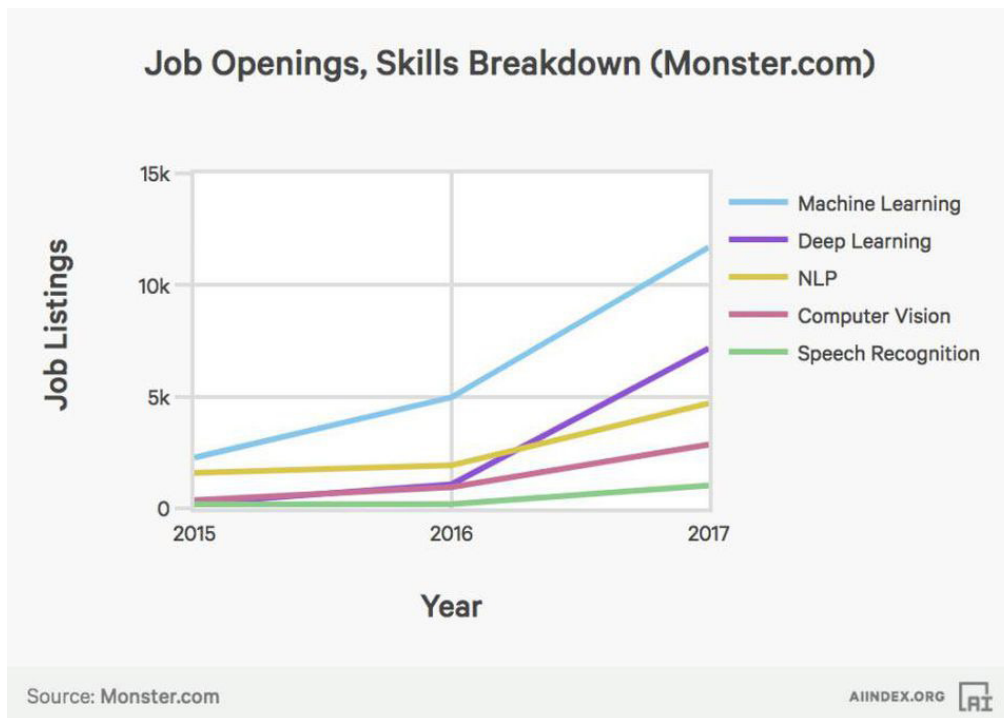
## ONCLUSION

Today, shared web hosting is recognized as a popular approach to host thousands of websites but it has multiple serious vulnerabilities which are primarily due to the fact that different resources such as memory, CPU, network and file system are shared between different websites. In this paper we addressed common attacks in shared web hosting servers which exploit the lack of proper isolation between different websites resided on a shared server. Then, we presented a comprehensive secure configuration to prevent the risks of these attacks. As a conclusion we can say that although the mentioned mechanisms prevent the attacks directed towards the shared web hosting servers, but generally this architecture is not advised since it is potentially insecure and new solutions like virtualization are more secure and re

## RESEARCH METHODOLOGY

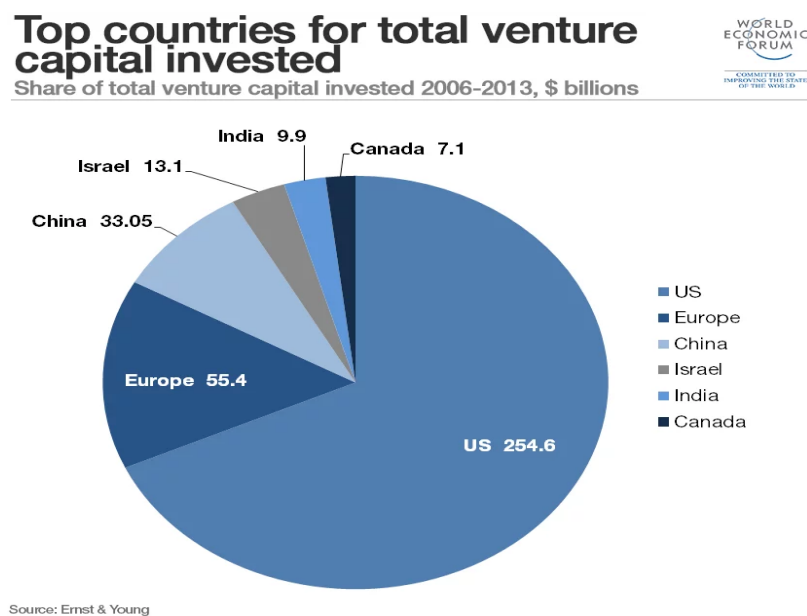
- All the data used in the field of research are wholly depend on secondary data from trusted sites
- All are thoroughly checked with compliance.
- Statistics or the graph presented are also taken from secondary source
- All the data are related to the topic and are taken from recently published survey regarding web hosting.

#### DATA ANALYSIS AND INTERPRETATION



**Figure 1:** Job listing of various organizations with the help of AI tools comparing yearly.

This data is collected by the monster.com regarding the use of AI in HR inside the company. This shows a positive growth in the graph till 2017. It clearly showcases that there is gradual development in learning machine and computer vision. Thus, this is enough to say that there is a growing demand in AI technology in regards to HR management.



**Figure 2:** Analysis of various countries investing on AI tools for HR



From the above pie chart, we can see India's investment in AI tools is 9.9%, as US takes the whole proportion of 254.6%, continued by Europe then China. This showcases the development status of each country with regards to AI and innovation in the development part of each country.

## **CONCLUSION**

This whole research is descriptive as it shows the key points on innovative AI tools available for HR management in near future. The transformation after the post COVID situation and also can be called the technology development of 2020 have paved a way ahead to automate, amplify and augment AI in Strategic Human Resource Management. This technology development connects the global, shares information and stay united. It gives ample encouragement to employees as well as employer only thing needed is a device which connects the server and have internet connection. It even encourages to mend in Pandemic situation, Work from Home policies. Thus, the user must have technical knowledge or the organization needs to give the employees a training session to use as per their need.

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# A STUDY ON CUSTOMER SATISFACTION TOWARDS SAMSUNG MOBILES

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## ABSTRACT

Customer satisfaction (often abbreviated as CSAT) is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as “the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals. Customers play an important role and are essential in keeping a product or service relevant so it is in the best interest of the business to ensure customer satisfaction, and build customer loyalty.

## INTRODUCTION

Customer satisfaction (often abbreviated as CSAT) is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as “the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals. Customers play an important role and are essential in keeping a product or service relevant so it is in the best interest of the business to ensure customer satisfaction, and build customer loyalty.

The Marketing Accountability Standards Board (MASB) endorses the definitions, purposes, and constructs of classes of measures that appear in Marketing Metrics as part of its ongoing Common Language in Marketing Project. In a survey of nearly 200 senior marketing managers, 71 percent responded that they found a customer satisfaction metric very useful in managing and monitoring their businesses.

## DISTRIBUTION CHANNEL:

It can be defined as “the set of marketing institution participating in marketing activities involved in the movement or the flow of goods and services from the primary product to the ultimate consumer”.

## TYPES OF BUYING BEHAVIOR:

### COMPLEX BUYING BEHAVIOR:

The consumers go through complex buying behaviour when they are highly involved in a purchase and aware of significant differences among brands. Consumers are involved when the product is expensive, bought infrequently, risky, and highly self-expressive.

### DISSONANCE REDUCING BUYING BEHAVIOR:

Sometimes the consumer is highly involved in the purchase but sees the little difference in the product & service. The high involvement is again on the fact that the purchase is expensive, infrequently risky.

### HABITUAL BUYING BEHAVIOR:

Many products are bought under conditions of low consumer involvement and the absence of significant product difference, consumers do not search extensively for information about the product, evaluate their characteristics and make a weighty decision on which product to buy.

### VARIETY SEEKING BUYING BEHAVIOUR:

Some buying situation is characterized by low consumer involvement but significant product difference. Here consumer is often observed to do a lot of product switching. The buyer's behaviour is influenced by four major factors: cultural (cultural, sub-cultural, & social class), social (reference group, family, & roles & status), personal (Age & life stage, occupation,

economic circumstances. Life styles, personality, self concept & psychological (motivation, perception learning& belief and attitude). All of these provide clues to know reach and serve buyers more effectively.

**NECESSITY OF CUSTOMER SATISFACTION:**

The emerging consumer movement necessitates markets to understand consumer behaviour their needs, expectations and problems. It will be easier in exploiting marketing opportunities meeting the challenges of the market. Thus marketers must try to offer the product wanted by the customers at the price he is prepared to pay, through distribution channel convenient to him and with a proper promotional activities. A consumer by nature is extrovert, a study of consumer behaviour helps to formulate marketing program mix and policies.

**FACTORS:**

To understand consumer behaviour on the eventual buying decisions, the major factors have to be clearly understood and analyzed. They are:

**1. Buyer characteristics:**

It deals with the individuals, personal, psychological, cultural and social characteristics. **2. Personal characteristics:**

It deals with the factors like age, sex, occupation, lifestyles, economic and financial conditions, culture which affects the consumers purchase behaviour. **3. Seller characteristics:**

Influences the buying decision factor lies in the image of the facilities offered by the companies or retail outlets etc affects the choice of the buyers. The buyer's decision will be based on the attitudes, behaviours and characteristics of the seller or sales person.

**4. Situational characteristics;**

This also plays an important role in influencing the decision of the buyer. The aspects such as time, day, season, financial conditions, marketing situations, demand for the products etc.

**Methods of tracking and measuring customer satisfaction:**

A customer is an individual or business that purchases the goods or services produced by a business. Attracting customers is the primary goal of most public-facing businesses, because it is the customer who creates demand for goods and services. Businesses often compete through advertisements or lowered prices to attract an ever-larger customer base.

**CUSTOMERS CAN BE OF FOLLOWING TYPES:**

**1. Loyal Customers-** These types of customers are less in numbers but promote more sales and profit as compared to other customers as these are the ones which are completely satisfied. These customers revisit the organization over time hence it is crucial to interact and keep in touch with them on a regular basis and invest much time and effort with them. Loyal customers want individual attention and that demands polite and respectful responses from supplier.

**2. Discount Customers-** Discount customers are also frequent visitors but they are only a part of business when offered with discounts on regular products and brands or they buy only low cost products. More is the discount the more they tend towards buying. These customers are mostly related to small industries or the industries that focus on low or marginal investments on products. Focus on these types of customers is also important as they also promote distinguished part of profit into business.

**3. Impulsive Customers-** These customers are difficult to convince as they want to do the business in urge or caprice. They don't have any specific item into their product list but urge to buy what they find good and productive at that point of time. Handling these customers is a challenge as they are not particularly looking for a product and want the supplier to display all the useful products they have in their tally in front of them so that they can buy what they like from that display.

If impulsive customers are treated accordingly then there is high probability that these customers could be a responsible for high percentage of selling. **4. Need Based Customers-** These customers are product specific and only tend to buy items only to which they are habitual or have a specific need for them. These are frequent customers but do not become a part of buying most of the times so it is difficult to satisfy them. These customers should be handled positively by showing them ways and reasons to switch to other similar products and brands and initiating them to buy these. These customers could possibly be lost if not tackled efficiently with positive interaction.

**5. Wandering Customers-** These are the least profitable customers as sometimes they themselves are not sure what to buy. These customers are normally new in industry and most of the times visit suppliers only for confirming their needs on products. They investigate features of most prominent products in the market but do not buy any of those or show least

interest in buying. To grab such customers they should be properly informed about the various positive features of the products so that they develop a sense of interest.

**Customer satisfaction** is important because it helps you solve problems, prevent churn, and identify happy **customers** that can become your advocates and evangelists.

#### FACTORS AFFECTING CUSTOMER SATISFACTION

- Good value
- Knowledgeable employees
- Billing accuracy
- Billing timelines
- Competitive pricing
- Service quality
- Billing clarity
- Quick service
- Friendly employees
- Helpful employees

#### REVIEW OF LITERATURE

• Androulidakis ;G. Kandus (2011) correlated the brand of mobile phone to users' security practices, Users show different behavior in an array of characteristics, according to the brand of the mobile phone they are using. As such, there is a categorization of areas, different for each brand, where users are clearly lacking security mind, possibly due to lack of awareness. Such a categorization can help phone manufacturers enhance their mobile phones in regards to security, preferably transparently for the user.

• Tajzadeh Namin A. A. ; Rahmani Vahid ; Tajzadeh Namin Aidin (2012) analysed that the process of deciding over (choosing) a brand may be influenced by situation and content. The findings suggest a significant relationship between the variables "brand attitude", "corporate attitude", and "product (cell phone) choice". In addition, no significant relationship was found between individual decision making processes (independent or mediated) and product choice.

• Serkan Aydin, Gökhan Özer, Ömer Arasil, (2005) had focused on to measure the effects of customer satisfaction and trust on customer loyalty, and the direct and indirect effect of "switching cost" on customer loyalty. The findings of this study show that the switching cost factor directly affects loyalty, and has a moderator effect on both customer satisfaction and trust.

• Jonathan, Lee ,Janghyuk, Lee and Lawrence, Feick, (2001) analysed that moderating role of switching costs in the customer satisfaction-loyalty link; and to identify customer segments and to retain them. Thus the purposes of this paper are: to examine the moderating role of switching costs in the customer satisfaction-loyalty link; and to identify customer segments and then analyze the heterogeneity in the satisfaction-loyalty link among the different segments. An empirical example based on the mobile phone service market in France indicates support for the moderating role of switching costs. Managerial implications of the results are discussed.

#### CONSUMERS DECISION STYLE

- Brand conscious
- Recreation conscious
- Price conscious
- Fashion conscious
- Brand loyal
- Prior experience

**OBJECTIVES OF THE STUDY:**

- To study the consumer behavior on Samsung phone .
- To identify the type of customer and their behaviours.
- To know the customer taste and preference.

**METHODS OF DATA COLLECTION:**

Usually, two basic methods are used to collect primary data

- 1) Observation
- 2) Questionnaire

Keeping in view the nature of this study, questionnaire method was found to be most effective. The questionnaire is structured i.e. it is presented having form question in sequence, and non-disguised.

**INSTRUMENT OF DATA COLLECTION:**

Structured Questionnaire will be used for the collection of primary data. Both open ended question and multiple choice questions will be involved in questionnaire. In open ended questions consumers will be free to answer and in multiple choice questions respondents will be offered various options to choose from.

**DATA ANALYSIS TECHNIQUE:**

Simple tools of analysis like mean, Percentage, Frequency and Analysis would be used to analyze data.

Percentage = (No. of respondents/ Total Respondents) x 100

**LIMITATIONS OF THE STUDY:**

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- The study is limited to only to mobile users in Chennai
- The study is specifically more concentrated towards only customer satisfaction of Samsung phone user

**FINDINGS OF THE STUDY**

- It is found that 33% of the respondents age group is 35-45 years(high) and 9% is above 45 years(less).
- 73% of the respondents are male(high) and 27% of the respondents are female(less). 59% of the respondents are satisfied with the price(high) and 14 % of the respondents are may be satisfied with it(less).
- 46% of the respondents said they will not prefer new brand(high) and 9% of the respondents said option 4(less).
- 48% of the respondents said they like battery usage(high) and 4% of the respondents said option 5(less).
- 72% of the respondents are satisfied with the updates (high) and 9% of the respondents said it maybe(less).

**SUUGESTION AND RECOMMENDATION**

company should come up with new handset models compared to others.

The consumers feel that the prices of Samsung Phones should be reduced.

The company needs to improve the sales promotional activities.

Attractive schemes should be provided for the customer and also Samsung should start giving more facility to its customer with much complications.

Samsung customer are unaware of its schemes, other schemes, simply because the lacks publicity, so it requires more advertisement.

**CONCLUSION**

Mobile has become an important part of human's life and it is no more a luxury. The majority of respondents who use mobile are quite young. There is a good scope for new entrants in this circle as the service provided by the existing players are not up to the mark and subscribers want to try out new ones provided they stand up to the customer's expectations. As the circle comprises of mainly high standard areas with few big shopping malls, subscribers want that the network coverage should extend up to shopping malls addition to the small markets and roads. MMS and Bluetooth functions are fast becoming popular with the mobile users. In fact these are becoming a criterion for choosing a mobile handset. Majority of respondents perceives Samsung as the best colour mobile provider. It commands high respect and favourable image amongst the mobile users.

# A BRIEF STUDY ON MARKET STRUCTURE AND DEMAND ANALYSIS OF HINDUSTAN UNILEVER

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## ABSTRACT

Research methodology is a way to systematically solve the research problem, as to how research is done scientifically. It consists of the different methods that are generally adopted by researchers to study their research problem along with the logic behind them. It is necessary for the researcher to develop certain tests. Marketing research specifies the information required to address these issues; designs the method for collection of information, manages and implements the data collection process; analyses the results and communicates the findings and their implications. The main purpose of the study is to increase the productivity of the kiosk (outreach) regarding HUL Pure it water purifiers. The survey was conducted in the Chennai area, not all but only some parts have been included for the survey. Due to shortage of time it was not possible to cover the whole area. Thus, the scope of the study was completed within the time and resources available.

**Keywords:** Market, Demand, Resources, Research

## INTRODUCTION

“Customer satisfaction provides a leading indicator of consumer purchase intentions and loyalty.” “Customer satisfaction data are among the most frequently collected indicators of market perceptions. Organizations need to retain existing customers while targeting non-customers. Customer satisfaction is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectations.

Customer satisfaction is defined as “the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services exceeds specified satisfaction goals.” Expectations are a key factor behind satisfaction. When customers have high expectations and the reality falls short, they will be disappointed and will likely rate their experience as less than satisfying. The importance of customer satisfaction diminishes when a firm has increased bargaining power.

Measuring customer satisfaction provides an indication of how successful the organization is at providing products and/or services to the marketplace.” Customer satisfaction is measured at the individual level, but it is almost always reported at an aggregate level. It can be, and often is, measured along various dimensions. As research on consumption experiences grows, evidence suggests that consumers purchase goods and services for a combination of two types of benefits: hedonic and utilitarian. Hedonic benefits are associated with the sensory and experiential attributes of the product. Utilitarian benefits of a product are associated with the more instrumental and functional attributes of the product. Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors such as return and recommendation rate. The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare the organization’s products. The usual measures of customer satisfaction involve a survey. The customer is asked to evaluate each statement in terms of their perceptions and expectations of performance of the organization being measured.

## MEANING:

Customer satisfaction is a marketing term that measures how products or services supplied by a company meet or surpass a customer’s expectations. Customer satisfaction is important because it provides marketers and business owners with a metric that they can use to manage and improve their businesses.



**DEFINITION:**

The most comprehensive definition of satisfaction has been offered by Kotler and Keller who define satisfaction as “person’s feeling of pleasure or disappointment which resulted from comparing a product’s perceived performance or outcome against his/ her expectations”

According to Collins: A feeling of satisfaction felt by a customer with a product or service obtained from a business. I really believe that it is possible to both improve customer satisfaction and reduce costs. Customer satisfaction with the service runs at more than 90 per cent.

**IMPORTANCE OF CUSTOMER SATISFACTION:**

1. It’s a leading indicator of consumer repurchase intentions

Customer satisfaction is the best indicator of how likely a customer will make a purchase in the future. Asking customers to rate their satisfaction on a scale of 1-10 is a good way to see if they will become repeat customers or even advocates.

Any customers that give you a rating of 7 and above, can be considered satisfied, and you can safely expect them to come back and make repeat purchases. Customers who give you a rating of 9 or 10 are your potential customer advocates who you can leverage to become evangelists for your company.

2. It’s a point of differentiation

In a competitive marketplace where businesses compete for customers; customer satisfaction is seen as a key differentiator. Businesses who succeed in these cut-throat environments are the ones that make customer satisfaction a key element of their business strategy.

3. It reduces customer churn

An Accenture global customer satisfaction report (2008) found that price is not the main reason for customer churn; it is actually due to the overall poor quality of customer service.

Customer satisfaction is the metric you can use to reduce customer churn. By measuring and tracking customer satisfaction you can put new processes in place to increase the overall quality of your customer service.

**NEED FOR THE STUDY:**

- To study the preferences of respondents in purchasing of selective **HUL** product (**PURE IT**)
- To study the customer satisfaction towards **HUL PURE IT** among the residence of **Chennai** City
- The study can be helpful in taking decision so as to improve the approach towards customers for getting reference and service.
- This project also helps to know how an organization works in real environment under different market scenario.

**OBJECTIVES OF THE STUDY:**

The following are the main objectives of the study:

- To know the satisfaction level of customers towards Pure it products and services.
- To identify the preferred brand of personal care products of HUL Pure It.
- To study the factors influencing consumer satisfaction towards Hindustan Unilever Water pure it
- To offer suggestions based on the results of the study

**LIMITATIONS OF THE STUDY:**

The sample size consists of **100** respondents only.

- The time availability for this study is limited.
- The data collected is primary and hence there may be personal bias.



- Findings of the study are based on the assumption that the respondents have given correct information.
- Survey was conducted only in Chennai city, hence the results from the study may or may not be applied to other areas.

## DATA COLLECTION METHOD

### Sampling:

Sampling is a process of obtaining. The information about the entire population by examine a part of it .The effectiveness of the research depends on the sample size selected for the survey purpose.

#### (A)Sampling Unit:-

It means “Who is to be surveyed”. Here target population is decided and it is who are interested to purchase “Bike” and sampling frame is developed so that everyone in the target population has known chance of being sampled. So the survey is conducted particularly in CHENNAI City.

#### (B)Sample size:-

For the purpose of proper survey, there is need of perfect research instruments to find out sample size for more accurate result about buying preference of bike. These were 100 Respondents.

#### (C) Sampling Method:-

Adopting convenience sampling technique, 100Respondents were chosen among the population of Honda Two Wheeler users in Chennai City.

## AREA OF STUDY

The Area of Study is Conducted in Chennai City.

### Analysis of Data through statistical Tools

- 1. Simple percentage method
- 2. Pie diagram
- 3. Bar diagram

### SIMPLE PERCENTAGE METHOD:-

Percentage refers to a special kind of ratio. Percentages are used in making comparison between two or more series of data. Percentages are used to describe relationships. Percentage can also be used to compare the relative terms, the distribution of two (or) more series of data.

$$\% \text{ of Respondents} = \text{No. of Respondents} \div \text{Total Respondents} \times 100$$

### BAR DIAGRAMS:-

Bar diagram consist of bars running either horizontally or vertically with an individual bar for each observation. The individual bars have separate observations and magnitudes. They serve the purpose of showing the rate of change in continuous data. More than two series of data may be depicted by the use of bar diagrams. The positive and negative quantities also are demonstrated with bar diagram.

### PIE DIAGRAMS:-

The pie diagram is presented in a circle dividing the chart in different components according to the need of the distinctive data. The slices of the circle are also noted with the name and their percentage share in the total circle of 360 degree.

## COMPANY PROFILE

### HINDUSTAN UNILEVER LIMITED

Hindustan Unilever Limited (HUL) is India’s largest fast-moving consumer goods Company, with leadership in Home & Personal Care Products and Foods & Beverages. HUL’s brands, spread across 20 distinct consumer categories, touch the lives of two out of three Indians. They endow the company with a scale of combined volumes of about 4 million tones and sales of nearly Rs.13, 718 crores. The mission that inspires HUL’s over 15,000 employees is to “add vitality to life”. With 35 Power

Brands, HUL meets every day needs for nutrition, hygiene, and personal care with brands that help people feel good, look good and get more out of life. It is a mission HUL shares with its parent company, Unilever, which holds 51.55% of the equity. The rest of the shareholding is distributed among 360,675 individual shareholders and financial institutions. A Fortune 500 transnational, Unilever sells Foods and Home and Personal Care brands in about 100 countries worldwide.

HUL is also one of the country's largest exporters; it has been recognized as a Golden Super Star Trading House by the Government of India. Over time HUL has developed into a viable & competitive sourcing base for Unilever worldwide in Home and Personal Care & Foods & Beverages category of products. HUL is also a global marketing arm for select licensed Unilever brands and also works on building categories with core country advantage such as branded basmati rice.

HUL's brands - like Lifebuoy, Lux, Surf Excel, Rin, Wheel, Fair & Lovely, Pond's, Sunsilk, Clinic, Pepsodent, Close-up, Lakme, Brooke Bond, Kissan, Knorr-Annapurna, Kwality Wall's

– are household names across the country and span many categories - soaps, detergents, personal products, tea, coffee, branded staples, ice cream and culinary products. They are manufactured over 40 factories across India. The operations involve over 2,000 suppliers and associates. HUL's distribution network, comprising about 4,000 redistributions stockiest, covering 6.3 million retail outlets reaching the entire urban population, and about 250 million rural consumers.

HUL believes that an organisation's worth is also in the service it renders to the community. HUL is focusing on health & hygiene education, women empowerment, and water management. It is also involved in education and rehabilitation of special or underprivileged children, care for the destitute and HIV-positive, and rural development. HUL has also responded in case of national calamities adversities and contributes through various welfare measures, most recent being the village built by HUL in earthquake affected Gujarat, and relief & rehabilitation after the Tsunami caused devastation in South India. In 2001, the company embarked on an ambitious programme, Shakti. Through Shakti, HUL is creating micro-enterprise opportunities for rural women, thereby improving their livelihood and the standard of living in rural communities. Shakti also includes health and hygiene education through the Shakti Vani Programme, and creating access to relevant information through the iShakti community portal. The program now covers 15 states in India and has over 45,000 women entrepreneurs in its fold, reaching out to 100,000 plus villages and directly reaching to 150 million rural consumers. By the end of 2010, Shakti aims to have 100,000 Shakti entrepreneurs covering 500,000 villages, touching the lives of over 600 million people.

HUL is also running a rural health programme – Lifebuoy Swasthya Chetana. The programme endeavors to induce adoption of hygienic practices among rural Indians and aims to bring down the incidence of diarrhea. It has already touched 84.6 million people in approximately 43890 villages of 8 states. The vision is to make a billion Indians feel safe and secure.

Hindustan Unilever Limited is India's largest Fast-Moving Consumer Goods company, touching two out of three Indians with their large brand portfolio. HUL's products are household names across the country and span a host of categories such as soaps, detergents, personal products, tea, coffee, ice cream, and culinary products. Today, there are over 7.7 million retail outlets in India with an average of 6.8 stores per thousand people – the highest store density in the world.

Growth of HUL in India is as follows:

- FMCG came into existence in 1888 when Sun Light soap was firstly seen at KOLKATA harbor. It was made by Lever brothers in England.
- After that in 1895 Lifebuoy and after that Lux, Pears and Vim bar.
- In 1918 Vanaspati was launched.

To maintain their market leadership, HUL pursues innovative distribution mechanisms to reach the millions of potential consumers in both urban areas and small remote villages where there is no retail distribution network, no advertising coverage, and poor roads and transport. HUL realized from the onset that its sales and distribution network gave it an edge over the competition, but that rivals would try to match it over time. To maintain their competitive advantage, HUL has aggressively extended more deeply in India, moving from large to small towns, and from urban to semi-urban areas.

In the past, HUL's sales forces were separated by geographies and product categories. However, this organizational structure was ill equipped to manage modern trade, as one regional team negotiating the terms of trade with an individual

franchisee of a national retail chain could never be as effective as HUL entering a long-term comprehensive contract spanning all product categories and outlets of the retail chain. Today, HUL has specific account managers dedicated to large modern trade customers.

General trade consists of the thousands of independent retail and wholesale outlets across the country. Often called “mom and pop” shops, each of these stores is considered a distinct customer and has to be addressed individually. HUL services these outlets through a network of 2,900 stockists. Goods are sent to a local warehouse or carrying and forwarding agent (CFA), and are then stocked and dispatched to specific retailers upon orders from the HUL stockists. The stockists are responsible for servicing all the small retail outlets in a specific geographic area. General trade makes up the majority of HUL’s sales.

While general trade encompasses both urban and rural markets, serving customers in more remote areas of India poses unique challenges. Rural markets are scattered over large areas with low per capita consumption rates. While the aggregate potential of rural markets is large, the potential of each of the 600+ dispersed markets is very low. As well, rural markets are not connected to urban centers by air or rail, with road connectivity poor at best. Accessing these markets, even when feasible, means additional logistics costs to HUL.

To penetrate the rural markets, HUL launched a unique four tier distribution system. Markets were segmented based on their accessibility and business potential.

1.Direct Coverage: HUL appointed a common stockist to service all outlets within a town and sell a limited selection of the brand portfolio. Towns consisted of populations of under 50,000 people.

2.Indirect Coverage: HUL targeted retailers in accessible villages close to larger urban markets. Retail stockists were assigned a permanent route to ensure that all accessible villages in the vicinity were served at least once a fortnight.

3.Streamline: Streamline leveraged the rural wholesale channel to reach markets inaccessible by road. Star Sellers were appointed among wholesalers in a particular village. Star Sellers would purchase stock from a local distributor and then distribute stock to retailers in smaller villages using local means of transport (e.g. motorcycles, rickshaws).

4.Project Shakti: Project Shakti targeted the very small villages (<2,000) and tapped into preexisting women’s self-help groups (SHG). Underprivileged rural women were invited to become direct-to-consumer sales distributors for HUL products. Termed Shakti Ammas (literally “strength mothers”), these women represent HUL and sell its home-care, health, and hygiene products in their villages.

By the end of 2009, Project Shakti network comprised of 45,000 Shakti Ammas covering

100,000 villages across 15 states in the country, cumulatively reaching over 3 million households every month. Unilever has replicated Project Shakti’s success in other markets such as Sri Lanka and Bangladesh.

### **Hindustan Unilever Limited Value Proposition**

Hindustan Unilever Limited, Unilever’s \$3.9 billion subsidiary in India. Unilever is the corporation that produces Axe deodorant, Vaseline, Surf detergent, and Lipton tea, among many other everyday products.

### **SWOT ANALYSIS OF HUL PURE IT**

#### **STRENGTH**

HUL has more than 100 million customers. It is the largest FMCG company in India, and also put a step forward to the water purifier industry by launching Pure it.

The company has covered the entire Indian nation with its Product. This has underpinned its large and rising customer base. It is the 4th largest FMCG Company in the world.

#### **WEAKNESS**

HUL have stopped door to door selling from 2009 which going to be a biggest weakness for the company and newly introduced market strategy for Pure it not working effectively.

#### **OPPORTUNITY**

HUL Pure it has newly introduced Pure it Marvella RO with reverse osmosis technology which now going to compete with Eureka Forbes Aqua Guard Ro. Opportunity is always there because of a strong brand name also. HUL Pure it going to make

available their product in rural areas in India by spreading their distribution channels which going to help them to get more consumers because the quality of drinking water is not good there.

### **THREAT**

Quickly changing global industry can be a matter of threat for HUL in India. TATA have introduced its product in Indian water purifier market, Tata Swach which is a matter of concern for HUL Pure it.

### **CUSTOMER SATISFACTION TOWARDS PURE IT**

‘Consumer is king’ –the statement carries profound truth in it. Today the success of any firm depends upon the satisfaction of consumers. For satisfying the consumers the firm should know about the behavior of the consumers. In these circumstances understanding consumer is a very difficult task because of the changing technology, innovation, and changes in life style. Researchers conducted many research in this area, and they give only few suggestion, but there is no final conclusion. As per the ideas given by the researchers, there are two factors influencing the consumers such as intrinsic and extrinsic factors. It is difficult to classify consumers by conventional demographic factors and unless their thought process and buying behavior are fully understood, decisions on product designs and packaging, branding and distribution channels are likely to be misplaced. With the inevitability of change looming large over the horizon, Indian companies must learn from their western counterparts; not only to identify the sources, timing and direction of the changes likely to affect India, but also the new competencies and perspective that will enable them to respond to these changes, comprehensively and effectively. This study mainly focus on understanding the external factors like demographic, social, cultural, price, quality, product attributes etc for buying water purifier like HUL Pure it . The market share of any product is highly determined by the purchasing behavior of the consumers. Following study is conducted by the researcher to find out the behavior of the consumers, to analyze the preference of consumers, & consumer awareness. Descriptive research design was adopted and the data is collected through primary and secondary sources.

#### **Water Purifier:**

##### **• Pure-it**

Pure It is the world’s most advanced in-home water purifier. Pure It, a breakthrough offering of Hindustan Unilever (HUL), provides complete protection from all waterborne diseases, unmatched convenience and affordability.

#### **Four purifier stages of Pure It:**

Pure it purifies your drinking water in four stages, beginning with the removal of visible dirt, followed by the removal of harmful parasites and pesticide impurities. Then, the harmful viruses and bacteria are removed and finally the water is rendered clear, odour less and great tasting by removing remaining impurities.

#### **Factors that affect the consumers decision & perception Product Type:**

Past research indicates that consumers purchase and channel decisions might be influenced by the type of product being investigated (Cox and Rich 1964:Lumpkin and Hawes 1985;Morrison and Roberts 1998:Papadopoulos 1980:Prasad 1975:Sheth 1983: Thompson 1971).In particular ,these authors state 29 that certain products might be more appropriate for one channel or another, which ultimately influences consumers channel preference and choice. Quality:

It is our aim to provide the best product for the consumer and we believe that if the products have quality the consumer will pay the price, says , regional business director of HUL.

#### **PRICE:**

Based on this survey, most of the respondents are influenced by price then availability, and then packaging. For increasing the price of a product, the company should consider the views of consumer otherwise the consumer switches over to competitor product.

#### **SELLING STRATEGY ADOPTED:**

Because of the low interest and since the product benefits needs to be demonstrated to the customers, conventional distribution was not viable. Hence Hindustan Unilever limited chose the less traveled Direct Selling route.

The Hindustan Unilever’s sales man in water division is called PWE. It has three streams for selling of product i.e. cold calls (door to door selling), outreach (Kiosk) and clinic (Hospital). It is a tough job for these salesmen who have to go through the “cold calls” to get a sale. At one point of time, because of the aggressive nature of these sales persons, people became

scared even to listen to these sales persons. Now this aggression has mellowed down to a more professional sales approach. Selling Strategies adopted by company are

- 1. Direct Selling- Door-to-Door Selling
- 2. Outreach (Kiosk)
- 3. Clinic (Hospital)

#### Product Segmentation

Hindustan Unilever sells different water-purifiers on the basis of classifying their utility and price affordability. The water purifiers are classified as follows:

- (1) Pure it compact – Rs 1000 /-
- (2) Pure it M05 Model – Rs 2000 /-
- (3) Pure it Autofill –Rs 3200 /-

## REVIEW OF LITERATURE

Oliver (1999)- defined, “Satisfaction as pleasurable fulfilment. Satisfaction is the customer’s sense that consumption provides outcomes against a standard of pleasure versus displeasure

Boulding et al (1993) - stated another perspective of customer satisfaction, which deals with the difference between transaction specific and cumulative customer satisfaction. Customer satisfaction is viewed as a post-purchase evaluative judgment of a specific purchase occasion according to transaction-specific perspective. Cumulative customer satisfaction is an overall evaluation based on the total purchase and consumption experience with goods or service over time. Cumulative satisfaction is a more fundamental indicator of the firm’s past, current and future performance and its cumulative satisfaction that motivates a firm’s investment in customer satisfaction.

Kotler and Armstrong (1993)- stated that consumer/customer satisfaction is determined by the relationship between the customer’s expectations and product’s perceived performance. Customer satisfaction is important because a company earns sales from new customers and retained customers. Satisfied customers buy a product again, talk favourably to others about the product, pay less attention to competing brands and advertising.

Bitner et al (1996) - defined, satisfaction is the customer evaluation of a product or service in terms of whether that product or service has met their needs and expectations.

Fe and Ikova (2004) - added that the perception of the word “satisfaction” influences the activities, which a customer conduct to achieve it. Researchers have also identified customer satisfaction as a multi dimensional in nature and viewed overall satisfaction as a function of satisfaction with multiple experiences with the service provider

Giese & Cote (2000) - studied various literatures and indicated that customer satisfaction is a response (emotional or cognitive), the response pertains to a particular focus (expectations, product, consumption experience, etc) and the response occurs at a particular time (after consumption, after choice, based on accumulated experience, etc).

Halstead, Hartman and Shmidt (1994) - found that customer satisfaction is a transaction-specific affective response resulting from the customer’s comparison of product performance to some pre-purchase standard.

Webbrook and Oliver (1991) - described customer satisfaction is a post choice evaluative judgment concerning a specific purchase selection.

Oliver (1987) - examined whether satisfaction was an emotion and concluded that satisfaction is a summary attribute phenomenon coexisting with other consumption emotions

Tse and Wilton (1998) - stated customer satisfaction as the customer’s response to the evaluation of the perceived discrepancy between prior expectations (or some norm of performance) and the actual performance of the product as perceived after its consumption.



## **BUSINESS HORIZON**

Mano and Oliver (1993) - examined the three aspects of the post consumption experience- product evaluation, product elicited affect and product satisfaction. Product satisfaction is best characterized as an attitude-like post consumption evaluative judgment (Hunt, 1977) with the evaluative aspect of that judgment varying along the hedonic continuum

Kumar and Oliver (1997) - indicated that satisfaction was associated with customers expectations being met, feeling they got “fair” value and feeling contented.

Oliver (1987) - defined customer satisfaction as an outcome of a purchase/ usage experience would appear to be an important variable in the chain of purchase experience linking product selection with other post purchase phenomena including favourable word-of-mouth and customer loyalty.

## **RESEARCH METHODOLOGY**

Kothari (2004) defines that “the research is an original contribution to the existing stock of knowledge making for its development”. The systematic approach concerning generalizations and formulation of a theory is also research. As such the term ‘research’ refers to the systematic method consisting of enunciating the problem, formulating a hypothesis, collecting the data, analyzing the facts and reaching certain conclusions either in the form of solutions towards the concerned problem or in certain generation for some theoretical formulation.

## **APPROACHES TO RESEARCH**

Descriptive approach is one of the most popular approaches these days. In this approach a problem is described by the researcher by using questionnaire or schedule. This approach enables a researcher to explore new areas of investigation.

## **RESEARCH DESIGN**

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.

A well-structured questionnaire is framed.

Data is collected from the employees in Airports Authority of India.

Findings are made and necessary suggestions and recommendations are given.

## **DATA COLLECTION**

Data collection is the process of gathering and measuring informations on variables of interest, in an established systematic fashion that enables the researcher to answer stated research questions, test hypothesis and evaluate outcomes. Following methods were adopted to collect the data for the current study:

### **1. Primary Data Questionnaire: -**

(A) Set of questions related to the research topic was formulated. Response for each question included in the questionnaire has been collected from the customers.

(B). Interview: - Apart from collecting different responses from the customers some extra information has been obtained through face to face interviewing activity.

### **2.Secondary Data**

Secondary research was done to build an in-depth understanding of the satisfaction levels of customers.

Information from various published resources like India stat and other research bodies were also used to validate the market figures and cross-validate the data. Detailed analysis of secondary information was used to arrive at the specific frameworks provided in the report. 3. Sampling methodology: The sampling methodology used is Non-Probability

### **3.Sampling technique**

Convenience sampling (A non-probability sampling technique that attempts to obtain a sample of convenient elements. The selection of sampling unit is left primarily to the interviewer)

### **4.Sample size:**

The Research had chosen 100 samples for the analysis.

**Area of the study- Chennai City.**

Tools Used- Percentage Analysis by using Tables and charts.

TABLE 4.1 TABLE SHOWING AGE GROUP OF THE RESPONDENTS

AGE OF THE RESPONDENTS	NO.OFRESPONDENTS	PERCENTAGE
20-30 Years	23	23
30-40 Years	45	45
40-50 Years	29	29
50-60 Years	3	3
60 & Above	0	0
TOTAL	100	100

**INTERPRETATION:**

From the above column, it is clear that 45% of the users belong to the age group 30-40. People in the age group of 60 & above do not use Pure it.

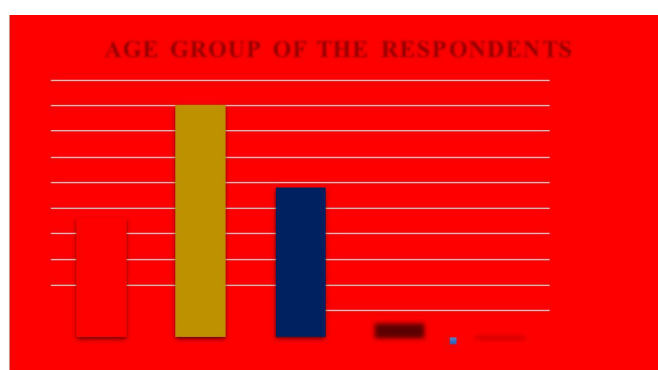


TABLE 4.2 TABLE SHOWING THE EDUCATIONAL QUALIFICATION OF RESPONDENTS

QUALIFICATION	NO OF RESPONDENTS	PERCENTAGE
HIGHER SECONDARY	0	0
GRADUATE	26	26
POST GRADUATE	36	36
PROFESSIONAL	38	38
TOTAL	100	

**INTERPRETATION:**

From the above chart, it is evident that 26% of the respondents are Graduates, 36% of the respondents are Post Graduates and 38% of the respondents are Professional.

CHART 4.2 CHART SHOWING THE EDUCATIONAL QUALIFICATION OF RESPONDENTS





TABLE 4.3

CHART SHOWING PROFESSION OF THE RESPONDENTS.

PROFESSION OF THE RESPONDENTS	NO. OF RESPONDENTS	PERCENTAGE
BUSINESS	28	28
EMPLOYED- PRIVATE SECTOR	24	24
GOVERNMENT EMPLOYEE	36	36
OTHERS	12	12
TOTAL	100	

## INTERPRETATION:

From the above pie diagram, it is evident that 28% of respondents are doing Business, 24% of respondents are Employed in private sector, 36% of respondents are Government Employees

CHART 4.3

CHART SHOWING PROFESSION OF THE RESPONDENTS.

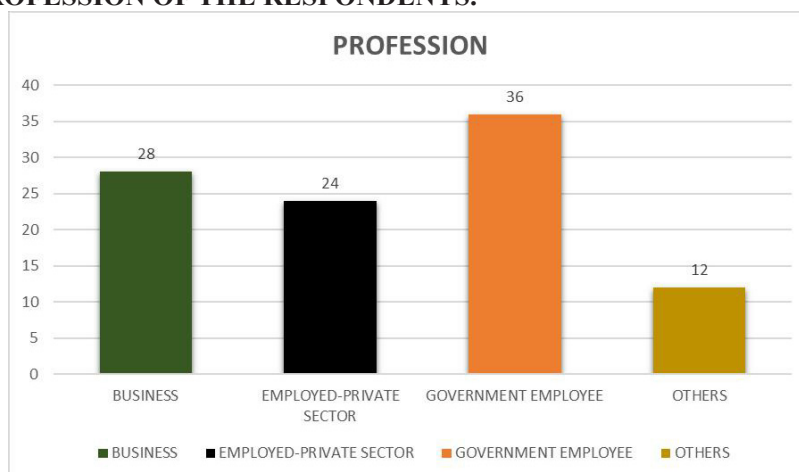


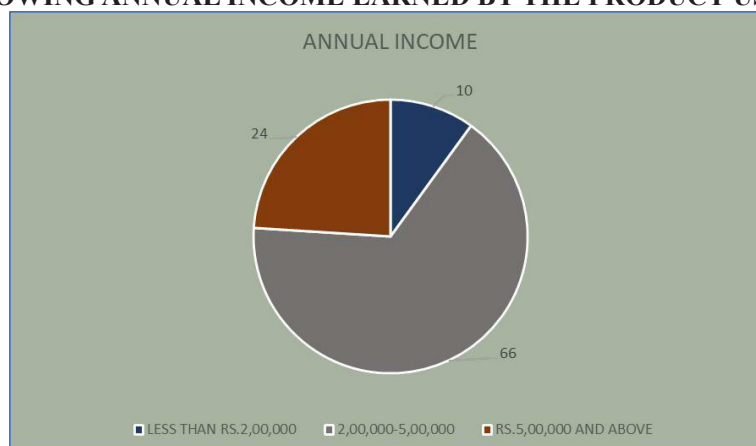
TABLE 4.4

TABLE SHOWING ANNUAL INCOME EARNED BY THE PRODUCT USER.

ANNUAL INCOME	NO. OF RESPONDENTS	PERCENTAGE
LESS THAN RS.2,00,000	10	10
2,00,000-5,00,000	66	66
RS.5,00,000 AND ABOVE	24	24
TOTAL	100	

## INTERPRETATION:

In the above chart it is clear that 10% of the respondents earn less than Rs.2,00,000 as annual income, 66% earn between Rs.2,00,000 to 5,00,000 as Annual income, 24% of the respondents earn more than Rs.5,00,000.

**CHART 4.4 \CHART SHOWING ANNUAL INCOME EARNED BY THE PRODUCT USER.****FINDINGS:**

- About 45% of the respondents belong to 30-40 age group.
- The majority 68% of the users are female.
- Nearly, 38% of the respondents are Professionals.
- About 36% of respondents are Government Employees.
- Majority 66% earn between Rs.2,00,000 to 5,00,000 as Annual income.
- Majority 86% of the Respondents uses Pure it as water purifier
- Nearly 30% of the respondents' source of knowledge is from Advertisement
- About 42% of respondents use Pure it as water Purifier.
- Nearly 78% of the respondents' states that pure it does not use chemical for purifying.
- About 59% of the respondents' states battery durability is Very Good in Pure it water purifier.
- Majority 47% of the respondents are Highly satisfied with odour and clarity of Pure it.
- About 74% out of the respondents feels Pure it is safe.
- Nearly 47% of the respondents are Highly satisfied in after sales satisfaction of Pure it.
- Majority 34% of the respondents are satisfied with order delivery of HUL Pure it.
- About 42% respondents rated excellent.
- Majority 47% of the respondents always recommend pure it.
- Majority 83% of the respondents are convenient on location of the stores
- About 37% of the respondents prefer Pure it for price.
- Nearly 36% of the respondents says they doesn't use Pure it due to lack of awareness.

**SUGESSTIONS:**

As per the survey done, following were the recommendations of the Survey:

- **PRICING:** Depending on the market conditions / competition from other competitors
- and also to suit local conditions, there should be flexible pricing mechanism (either at central or local level).
- **IMPROVEMENT IN TECHNOLOGY:** HUL Pure it should immediately shift to new technology by replacing its old technology as per requirement. This will improve the

- quality of service to desired level and provide simultaneous integration with the
- nationwide.
- UNTAPPED RURAL MARKET: Large part of Chennai rural market is still untapped
- therefore HUL Pure it is required to bring that area under mobility.
- Pure it needs to spend on advertisement to attract new customers.
- HUL Pure it should continue to offer the best toppings to stay at the top.
- There should be no compromise in quality of the product
- Sales person at the retails counters should have proper knowledge about the product.
- Customer service is something which company should pay more attention.

## **CONCLUSION**

The market survey conducted in the town of Chennai in Tamil Nadu. In this survey the product chosen is 'Pure It' because people are very cautious about their health these days and are very particular about their drinking water. In such a scenario most of the people are using water purifier. After the survey, the conclusion is that the people of Chennai are very much aware of Pure It water purifier and maximum of them are satisfied with the product. Although maximum people are satisfied with the product but still there a pinch of dissatisfaction among some of the consumers. But the ratios of these people are negligible. In this survey the topic discussed is about an industry which is responsible and absolutely welcomes enhanced competition. It is assured that the success of this industry in the market place is by delighting customers through affordable price and high quality and better after sale services, instead of any possible manipulation in the area of spectrum management. We can find that HUL is not the best water purifier provider in India because apart from the price & quality of output, it's not good at any point. Because most of the respondents have rated it as average more. And of course, the survey research always reflects the truth. It has been observed that most customers are satisfied with the product but are not happy with the after sales services due to lack of suitable store where they get the "Pure It Battery", of which is the matter of concern for the Hindustan Unilever Limited(HUL). HUL needs to improve some part of product specifically the changing procedure system of the battery keeping in mind it as weak point. High customer satisfaction level helps the company to retain its existing customer as well as generate new customer through word to mouth publicity. Customer satisfaction index is a good tool to make improvements in the products and services of the company. And therefore, should utilize carefully & kept as confidential as possible. No doubt HUL Pure it has very good quality of product and availability in Chennai. Customer feels delightful with the HUL services and is satisfied with HUL Customer service.

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# A STUDY ON CUSTOMER SATISFACTION TOWARDS FASTRACK WATCHES

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## ABSTRACT

The report focuses on attitudes and behavior on the concept of the youth's buying behavior towards Fastrack watches. Different consumers have got different decision making process. The buyer's ultimate goal is to buy the product of qualitative, quantitative with low/best affordable price. To identify different kinds of consumer buying behavior towards different wrist watches and Fastrack, we have carried out survey of buying behavior of youth and different kind of consumer behavior models, literature and theory of consumer behavior. Finally we analyzed and concluded with research based on questionnaire of Fastrack watches at IBS Hyderabad. The research has been conducted to understanding the various important factors effecting the buying behavior patterns of consumers in particular the youth. The research findings could be used to enhance the features of product which could ultimately lead to profitability of the company.

## INTRODUCTION

Fastrack is one of the leading wrist watch brand in India, Fastrack was launched in 1998. The brand was aimed at the youth segment (15-25 years of age). The brand was promoted with the slogan "Cool Watches from Titan". Fastrack has an established brand image for quality, price and ranges of style it offers. However it is often found that customers have still certain issues with this brand, one of the issue is that the service after sales is not good. Customer often find it difficult to repair the watch or change the strap, dial etc. most of the retail stores doesn't keep spare parts reason being that Fastrack watches style changes at a faster rate, hence customers are forced to go with domestic brands straps which doesn't even suit the watch. Another issue is that all varieties of the brand is not available in all retail store, the customers are forced for online shopping to get their desired watches. Clocks and Watches are devices used to measure or indicate the passage of time. A clock, which is larger than a watch, is usually intended to be kept in one place; a watch is designed to be carried or worn. Both types of timepieces require a source of power and a means of transmitting and controlling it, as well as indicators to register the lapse of time units. Wrist watches were once a need, but now it has become a demand. Different brands with different technology, design and innovations have entered into the market.

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**Turel and Serenko (2004)** studied validation of American Customer Satisfaction Model in mobile telecommunication sector and found that there is a positive association between perceived customer expectations, perceived quality, value and satisfaction and a negative link between satisfaction and customer complaints.

**Pothas et al (2001)** proposed an unconventional way of monitoring customer satisfaction based upon promoting the expressing of customer perceptions from the frame of reference of the customers, not from the frame of reference of the investigator.

**Churchill, Jr. & Suprenant (1982)** investigated whether it was necessary to include disconfirmation as van intervening variable affecting satisfaction as was commonly argued, or whether the effect of disconfirmation was adequately captured by expectation and perceived performance.

**Ganesh et al (2000)** note that investigations of overall satisfaction provide useful insights into the various customer groups, further exploration, of satisfaction with service dimensions provide a more detailed look into the factors that drive customer satisfaction in this project

**Terblanche & Boshoff (2001)** assessed the influence of certain factors on customer's level of satisfaction in their study. It has been found that service quality, product quality and product varieties are the three dimensions that influence customer satisfaction.

## **OBJECTIVES OF THE STUDY**

- To understand the existing product quality in Fastrack watches.
- To investigate whether the product quality of Fastrack watches is capable of addressing all demands made by customer.
- To identify the difference between Expectation & Perception of customers in product quality offered by Fastrack watches.
- To understand about the customer satisfaction for Fastrack watches.

## **RESEARCH METHODOLOGY**

Once the problem has been carefully defined, the researcher needs to establish the plan that will outline the investigation to be carried out. The research design indicates the steps that have been taken and in what sequence they occurred. It is a systematic and purposive Investigation of facts with an objective of understanding the customer satisfaction for Fastrack watches. The methodology that will be applied by the study has been chosen in order to acquire information and deduce conclusions about the '\_Customer satisfaction for Fastrack watches'. The main purposes of this study is to obtain an insight into the problems faced by the Fastrack watches customers in order to propose further recommendations for better customer satisfaction.

## **RESEARCH DESIGN**

Research design is the arrangement of conditions for collection and analyze of data in a systematic manner that aims to combine relevance to research purpose with economy in procedure. The research study applied here is purely descriptive.

## **SAMPLING TECHNIQUES**

The simple random sampling method was used for the primary data collection. Simple random sampling is the basic sampling technique where we select a group of subjects (a sample) for study from a larger group (a population). Each individual is chosen entirely by chance and each member of the population has an equal chance of being included in the sample. Every possible sample of a given size has the same chance of selection; i.e. each member of the population is equally to be chosen stage in the sampling process. There are two types of sampling technique they are Probability sampling and Non-Probability

sampling. The researcher adopted Non- probability sampling.

### NON PROBABILITY SAMPLING

Non-probability sampling procedure, which does not afford any basis for estimating the probability that each item in the population has been include in the sampling.

### CONVENIENCE SAMPLING

**The researcher has adopted convenience sampling method for this study.**

### SAMPLE SIZE

50 respondents are chosen as a sample size for the study.

### DATA COLLECTION

#### PRIMARY DATA

Information obtained from the original source by research is called Primary Data. They offer much greater accuracy and reliability. The data was collected from the respondents through the questionnaire.

#### SECONDARY DATA

In means data that are already available i.e. it refers to the data which have already been collected and analyzed by someone else. The data was collected from the websites and journals.

### ANALYSIS AND INTERPRETATION

For evaluating the quality of customer satisfaction of Fastrack watches, a number of critical variables are selected for conducting an in depth analysis. The results of the analysis are presented in the following sections.

**TABLE 1 OCCUPATION OF THE RESPONDENTS**

S.NO	OCCUPATION	PERCENTAGE
1	Professional	14
2	Business	30
3	Employee	34
4	Student	22
	Total	100

#### INTERPRETATION

From the above table, it shows that, 34% of the respondents were employee, 30% of the respondents were Business People, 22% of the respondents were students and 14% of the respondents were professional. It inferred that Majority (34%) of the respondents were employees.

**TABLE 2 EDUCATIONAL QUALIFICATION OF THE RESPONDENTS**

S.NO	EDUCATION	PERCENTAGE
1	School Level	34
2	Under Graduate Level	50
3	Post Graduate Level	14
4	Others	2
	Total	100

#### INTERPRETATION

From the above table, it shows that, 50% of the respondents were under graduates, 34% of the respondents studied up to school level, 14% of the respondents were post graduates and 2% were included in others. It inferred that majority (50%) of the respondents were under graduates.

**TABLE 3 AGE OF THE RESPONDENTS**

S.NO	AGE	PERCENTAGE
1	Below 25	38
2	26 – 35	42
3	35 – 45	14
4	Above 45	6
	Total	100

**INTERPRETATION**

From the above table, it shows that, 42% of the respondents belong to the age group 26 - 35, 38% of them were below 25, 14% belong to the age group 35-45, only 6% of the respondents were above 45. It is inferred that, (42%) Majority of the respondents belong to the age group 26-35.

**TABLE 4 GENDER OF THE RESPONDENTS**

S.NO	GENDER	NO OF RESPONDENTS	PERCENTAGE
1	Male	30	60
2	Female	20	40
3	Total	50	100

**INTERPRETATION**

The analysis shows that, 60% of the respondents were Male and 40% of the respondents were Female.

**TABLE 5 COMPARISON OF FASTRACK WATCHES WITH ITS COMPETITORS**

S.NO	OCCUPATION	PERCENTAGE
1	Excellent	30
2	Good	46
3	Satisfactory	20
4	Poor	4
	Total	100

**INTERPRETATION**

From the above table shows that, 46% felt that Fastrack watches are good than its competitors, 30% of them felt excellent, 20% of them were satisfied and only 4% of the respondents felt poor. It is inferred that majority (46%) of the respondents felt that Fastrack watches are good than its competitors.

**TABLE 6 PERIOD OF USAGE OF FASTRACK WATCHES BY THE RESPONDENTS**

S.NO	PERIOD OF USAGE	PERCENTAGE
1	More than 1 year	66
2	1 Year	20
3	6 Months	4
4	Recently	10
	Total	100

**INTERPRETATION**

The above table shows that, 66% of the respondents used Fastrack watches for more than 1 year. 20% of them used for 1 year, 10% of the respondents used only recently & only 4% of the respondents used only before 6 months. It is inferred that (66%) majority of the respondents used the Fastrack watches for more than 1 year.



TABLE 7 AFFORDABILITY OF FASTRACK WATCHES

S.NO	AFFORDABLE	PERCENTAGE
1	Strongly Agree	32
2	Agree	56
3	Disagree	6
4	Strongly Disagree	6
	Total	100

### INTERPRETATION

From the above table shows that, 56%% of the respondents agreed that Fastrack watches are affordable. 32% of them strongly agreed it. Only 6% of them disagreed and strongly disagreed it. It inferred that majority (56%) of the respondents agreed that Fastrack watches are more affordable than.

### SIGNIFICANCE OF THE STUDY

The watch industry in the current scenario is booming and undergoing a rapid growth. The emergence of new generation private and foreign watches in the Indian watch market has raised the competitiveness in the industry. The study aims at identifying the extent to which the product quality of a watch affects its competitiveness. The outcome of the study reveals the current perception about the watches rooted in the minds of the customers which could be useful in formulating the strategies in future operations of the company, for the attainment of its goals in this competitive scenario.

### LIMITATIONS OF STUDY

The following are the limitations of the study

- Mobile phone has become the most necessary commodity/service, so it was difficult to define the population in a particular place.
- 50 respondents cannot represent the population, as a whole. So the findings may be biased.
- Time plays a havoc role in data collection. So, the sample is restricted to 50.
- Chances of biased responses from the customer.

### FINDINGS AND SUGGESTION

#### FINDINGS

- Majority of respondents are aware about the various range of products provided by Fastrack watches through advertisements.
- Majority of the respondents felt that Fastrack watches are good than its competitors
- Majority of the respondents used the Fastrack watches for more than 1 year.
- Majority of the respondents agreed that Fastrack watches are affordable.
- Majority of customers are not satisfied with general behavior of customer service personnel because the product range of Fastrack is vast and it is difficult for the service personnel to give proper service aids to Fastrack watches.
- Majority of customers use Fastrack watches only, this shows that loyalty of customers enjoyed by company. This strong customer loyalty is laying an effective foundation for Fastrack watches.
- Most of customers are not satisfied with Fastrack's customers' enquiry, so Fastrack should give proper knowledge & awareness to their staff regarding their products & services so they can give sufficient clarification for all queries that arise from customers.
- Most of respondents are demanded that Fastrack should better its customer care with more pleasing nature, willing to help them etc in order to attain the customer satisfaction.
- Majority of customers disagree the fact that they will purchase rival brand, it shows the Fastrack providing excellent service and products to their customers to keep its customer & to survive in competitive environment

**SUGGESTIONS**

- Customer of Fastrack watches is well known about the product range provided by the brand.
- From the survey it is clear that majority of the customers were young people and the advertisements, products offered by Fastrack watches exactly matches the demand of youth. This makes Fastrack watches ahead of its competitors
- From the survey it is clear that service quality offered by the Fastrack brand has a good influence on customers. So Fastrack should improve its customer service quality to retain and satisfy customers
- In order to improve its sales, ad promotion should be taken care, excellent customer care should be provided and also it should reduce its service time.
- There is so much percentage of customer are dissatisfied with general behavior of customer service personnel, so they should be given proper training to improve the quality of service
- Often the product range displayed in the ads are not available in stores, so it should be ensured that product ranges are available as soon as possible. Or the website should provide a solution like e-tailing.
- Due to emergence & tough competition from rivals Fastrack watches should soon implement online ordering and selling. If cash on delivery scheme is implemented it can enhance sales
- For common doubts & queries suitable recordings can be made. Queries & recommendations can be uploaded in website of Fastrack
- Website of Fastrack can be improved again by including detailed information of new products, offers & promotions. It should also provide Customer's feedback option while they use online

**CONCLUSION**

On the growing influence of globalization on the Indian watch industry, a number of global manufacturers are coming into the Indian watch industry. In such a dynamic environment Fastrack need to be more quality conscious since the products offered are almost similar by all the watch manufacturers in the industry. Fastrack needs to take serious efforts to make itself competitive and stable in the dynamic market situation by focusing on the service quality aspects.

Gaining and maintaining consumer preference is a battle that is never really won. Continued and consistent branding initiatives that reinforce the consumer's purchase decision will, over time, land the product in consumer preference sets. Attaining and sustaining preference is an important step on the road to gaining brand loyalty. Most of the consumers prefer Fastrack watches due to its strong brand image, and the main factor forcing the customers to buy Fastrack watch is advertisements through the print and electronic media.

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# A BRIEF STUDY ON CUSTOMER SATISFACTION REGARDING HDFC BANKING SERVICES

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## ABSTRACT

The report contains the organizational study done at HDFC Bank. The report title is “CUSTOMER SATISFACTION REGARDING HDFC BANKING SERVICES”. The report gives an overview of the banking Sector and company profile. And awareness of customers about different types of products and services offered by HDFC Bank. This study was conducted to find out the customer satisfaction regarding HDFC bank. The methodology adopted for the study was through a structured questionnaire, which is targeted to the different persons. For this purpose sample size of 100 was taken. The data collected from the different persons was analyzed thoroughly and presented in the form of charts and tables. HDFC must advertise regularly and create brand value for its products and services. Most of its competitors like ICICI, Axis, kotak Mahindra and nationalized banks use television advertisements to promote their products. The Indian consumer has a false perception about private banks - they feel that it would not safe. Safety and returns are the two main reasons people invest in banks. On the whole HDFC bank is a good place to work at. Every new recruit is provided with extensive training on the products of HDFC. This training enables an advisor/sales manager to market the policies better. The company should try to create awareness about itself in India. . With an improvement in the sales techniques used, a fair bit of advertising and modifications to the existing product portfolio, HDFC would be all set to capture the banking market in India as it has around the globe.

**Keywords:** Satisfaction, Banking, Sales, Customer

## INTRODUCTION

Banking means accepting the deposits from the customers for lending to the needy and extending the other services as to issue of DD etc. Nowadays after introduction of private sector banks the banks have become a profit centre and the functions become changed and now banks are doing the insurance and mutual funds also. But nationalized banks are still service oriented in extending loans for Education loan, and rural development activities.

A Bank is an organization which lends money to the borrowers for a purposeful task, and provides a facility to deposit and withdraw money when needed and charge for it.

## DEFINITION OF BANKING:

Banking business means :

“The business of receiving money on current or deposit account, paying and collecting cheques drawn by or paid in by customers, the making of advances to customers, and includes such other business as the Authority may prescribe for the purposes of Banking Act (Singapore), Section 2.”

"Banking business" means the business of either or both of the following:

- Receiving from the general public money on current, deposit, savings or other similar account repayable on demand or within less than 3 months or with a period of call or notice of less than that period.
- Paying or collecting cheques drawn by or paid in by customers

## **HISTORY OF BANKING IN INDIA**

### **Phase I**

The General Bank of India was set up in the year 1786. Next came Bank of Hindustan and Bengal Bank. The East India Company established Bank of Bengal (1809), Bank of Bombay (1840) and Bank of Madras (1843) as independent units and called it Presidency Banks. These three banks were amalgamated in 1920 and Imperial Bank of India was established which started as private shareholders banks, mostly Europeans shareholders. In 1865 Allahabad Bank was established and first time exclusively by Indians, Punjab National Bank Ltd. was set up in 1894 with headquarters at Lahore. Between 1906 and 1913, Bank of India, Central Bank of India, Bank of Baroda, Canara Bank, Indian Bank, and Bank of Mysore were set up. Reserve Bank of India came in 1935.

During the first phase the growth was very slow and banks also experienced periodic failures between 1913 and 1948. There were approximately 1100 banks, mostly small. To streamline the functioning and activities of commercial banks, the Government of India came up with The Banking Companies Act, 1949 which was later changed to Banking Regulation Act 1949 as per amending Act of 1965 (Act No. 23 of 1965). Reserve Bank of India was vested with extensive powers for the supervision of banking in India as the Banking Authority.

During those day's public has lesser confidence in the banks. As an aftermath deposit mobilisation was slow. Abreast of it the savings bank facility provided by the Postal department was comparatively safer. Moreover, funds were largely given to traders.

### **Phase II**

Government took major steps in this Indian Banking Sector Reform after independence. In 1955, it nationalised Imperial Bank of India with extensive banking facilities on a large scale especially in rural and semi-urban areas. It formed State Bank of India to act as the principal agent of RBI and to handle banking transactions of the Union and State Governments all over the country. Seven banks forming subsidiary of State Bank of India was nationalised in 1960 on 19th July,

1969, major process of nationalisation was carried out. It was the effort of the then Prime Minister of India, Mrs. Indira Gandhi. 14 major commercial banks in the country were nationalised.

Second phase of nationalisation Indian Banking Sector Reform was carried out in 1980 with seven more banks. This step brought 80% of the banking segment in India under Government ownership.

The following are the steps taken by the Government of India to Regulate Banking Institutions in the Country:

1949: Enactment of Banking Regulation Act. 1955: Nationalisation of State Bank of India. 1959: Nationalisation of SBI subsidiaries.

1961: Insurance cover extended to deposits. 1969: Nationalisation of 14 major banks.

1971: Creation of credit guarantee corporation. 1975: Creation of regional rural banks.

1980: Nationalisation of seven banks with deposits over 200 crore.

After the nationalisation of banks, the branches of the public sector bank India rose to approximately 800% in deposits and advances took a huge jump by 11,000%.

Banking in the sunshine of Government ownership gave the public implicit faith and immense confidence about the sustainability of these institutions.

### **Phase III**

This phase has introduced many more products and facilities in the banking sector in its Reforms. In 1991, under the chairmanship of M Narasimham, a committee was set-up in his name which worked for the liberalization of banking practices.

The country is flooded with foreign banks and their ATM stations. Efforts are being put to give a satisfactory service to customers. Phone banking and net banking is introduced. The entire system became more convenient and swift. Time is given more importance than money.

The financial system of India has shown a great deal of resilience. It is sheltered from any crisis triggered by any external macroeconomics shock as other East Asian Countries suffered. This is all due to a flexible exchange rate regime, the foreign reserves are high, the capital account is not yet fully convertible, and banks and their customers have limited foreign exchange exposure.

## **INDIAN BANKING INDUSTRIES**

The Indian banking market is growing at an astonishing rate, with Assets expected to reach US\$1 trillion by 2010. An expanding Economy, middle class, and technological innovations are all Contributing to this growth. The country's middle class accounts for over 320 million people. In correlation with the growth of the economy, rising income levels, increased standard of living, and affordability of banking products are promising factors for continued expansion.

The Indian banking Industry is in the middle of an IT revolution, focusing on the expansion of retail and rural banking. Players are becoming increasingly customer - centric in their approach, which has resulted in innovative methods of offering new banking products and services. Banks are now realizing the importance of being a big player and are beginning to focus their attention on mergers and acquisitions to take advantage of economies of scale and/or comply with Basel II regulation. "Indian banking industry assets are expected to reach US\$1 trillion by 2010 and are poised to receive a greater infusion of foreign capital," says Prathima Rajan, analyst in Celent's banking group and author of the report. "The banking industry should focus on having a small number of large players that can compete globally rather than having a large number of fragmented players."

## **SCOPE OF THE STUDY**

"A study on customer satisfaction level regarding HDFC bank" is a study of customer satisfaction level regarding various services provided by the HDFC bank. The HDFC bank provides various utility services to their customers. The purpose of this study is to analyze the satisfaction level of the customer towards the services providing by the HDFC bank. The research covers the customer opinion on banking services which will be helpful for further development and growth of banking venture of HDFC bank.

This research focuses on the level of customer satisfaction derived from banking services of HDFC Bank.

## **OBJECTIVES OF THE STUDY**

- To know the customer satisfaction level and their perception regarding HDFC Bank.
- To know the customer awareness regarding the Bank's products.
- To know the level of interest of customer regarding the different schemes of bank.
- To know the preference of customer regarding the extra services
- To know the problems of customer regarding bank.

## **LIMITATIONS OF THE STUDY**

It is said, "Nothing is perfect" and if the quite is true, I am sure that there would be few shortcoming in this project also. Sincere efforts have been made to eliminate discrepancies as far as possible but few would have reminded due to limitations of the study. These are:

- The research was carried out in a short period.
- Limited sample size.
- The information given by the respondent might be biased some of them might not be interested to give correct information.

Some of the respondents of the survey were unwilling to share information.

**COMPANY PROFILE****STRONG NATIONAL NETWORK**

HDFC bank Ltd provides various financial products and services. It operates in three segments: Retail Banking, Wholesale Banking, and Treasury. The Retail banking segment provides various deposit products, including savings Accounts, current accounts, fixed deposits, and demat accounts. It also offers Auto, personal, commercial vehicle, home, gold, and educational loans; loans Against securities and property and health care finance Working capital finance, construction equipment finance, and warehouse Receipt loans, as well as credit cards, debit cards, depository, investment Advisory, bill payments, and transactional services. In addition, this segment Sells third party financial products, such as mutual funds and insurance, as Well as distributes life and general insurance products through its tie-ups with insurance companies and mutual fund houses. The wholesale banking Segment provides loans, non-fund facilities, and transaction services to large Corporate, emerging corporate, small and medium enterprise, supply chain, Public sector undertaking, central and state government departments, and Institutional customers. It offers deposit and transaction banking products, Supply chain financing, working capital and term finance, agricultural loans, and funded non-funded treasury, and foreign exchange products. This segment's services include trade services, cash management, and money Market, custodial, tax collection, and electronic banking. In addition, it provides correspondent bank services to co- operative banks, private banks, foreign banks, and regional rural banks. The Treasury Services segment operates primarily in areas, such as foreign exchange, money market, interest rate trading, and Equities. As of March 31, 2015 HDFC bank had a network of 4,014 branches And 11,766 automated teller machines in 2464 cities in India. The company was founded in 1994 and is based in Mumbai, India.

**TABLE REPRESENTING THE OPERATING CITIES, BRANCHES AND ATM'S**

<b>PARTICULARS</b>	<b>March 2006</b>	<b>March 2009</b>	<b>March 2015</b>	<b>March 2016</b>
Cities	228	528	2464	2587
Branches	535	1142	4014	4281
ATM's	1323	3295	11766	12054

As of March 31, 2009, the Bank's distribution network was at 528 Branches and 1142 ATMs in 3295 cities as against 535 branches and 1,323 ATMs in 228 cities as of March 31, 2006. Against the regulatory approvals for new branches in hand, the Bank expects to further expand the branch network by around 150 branches by June 30, 2008. During the year, the Bank stepped up retail customer acquisition with deposit accounts increasing from 6.2 million to 8.7 million and total cards issued (debit and credit cards) increasing from 7 million to 9.2 million. Whilst credit growth in the banking system slowed down to about 22% for the year ended 2008-09, the Bank's net advances grew by 35.1% with retail advances growing by 38.6% and wholesale advances growing by 30%, implying a higher market share in both segments.

The transactional banking business also registered healthy growth with cash management volumes increased by around 80% and trade services volumes by around 40% over the previous year. Portfolio quality as of March 31, 2008 remained healthy with gross nonperforming assets at 1.3% and net non-performing assets at 0.4% of total customer assets.

**KEY EXECUTIVES**

<b>S.NO</b>	<b>NAME</b>	<b>DESIGNATION</b>
1	A N Roy	Director
2	Aditya puri	CEO
3	Aditya puri	Managing Director
4	Bobby Parikh	Director



5	Kaizad Bharucha	Executive Director
6	Keki Mistry	Director
7	Malay Patel	Director
8	Paresh Sukthankar	Deputy Managing Director
9	Partho Datta	Director
10	Reny Karnad	Director
11	Shyamala Gopinath	Chairperson

## TECHNOLOGY USED IN HDFC BANK

In the era of globalization each and every sector faced the stiff competition from their rivals and world also converted into the flat from the globe. After the policy of liberalization and RBI initiatives to take the step for the private sector banks, more and more changes are taking the part into it. That are create competition between the private sector banks and public sector bank. Private sector banks are today used the latest technology for the different transaction of day to day banking life. As we know that Information Technology plays the vital role in the each and every industry and gives the optimum return from the limited resources.

Banks are service industry and today it gives the innovative Technology application to Banking industries. HDFC BANK is the leader in the industries and today IT and HDFC BANK together combined they reached the sky. New technology changed the mind of the customers and changed the queue concept from the history banking transaction. Today there are different channels are available for the banking transactions. There are drastically changes seen in the use of Internet banking, in a year 2001 (2%) and in the year 2008 (25%). This type of technology gives the freedom to retail customers. HDFC BANK is the very consistent player in the new private sector banks. New private sector banks to withstand the competition from public sector banks came up with innovative products and superior service.

## BUSINESS STRATEGY

HDFC BANK mission is to be "a World Class Indian Bank", benchmarking themselves against international standards and best Practices in terms of product offerings, technology, service levels, risk management and audit & compliance. The objective is to build sound customer franchises across distinct businesses so as to be a preferred provider of banking services for target retail and wholesale customer segments, and to achieve a healthy growth in profitability, consistent with the Bank's risk appetite. Bank is committed to do this while ensuring the highest levels of ethical standards, professional integrity, corporate governance and regulatory compliance. Continue to develop new product and technology is the main business strategy of the bank. Maintain good relation with the customers is the main and prime objective of the bank. HDFC BANK business strategy emphasizes the following:

- Increase market share in India's expanding banking and financial services industry by following a disciplined growth strategy focusing on quality and not on quantity and delivering high quality customer service.
- Leverage our technology platform and open scalable systems to deliver more products to more customers and to control operating costs.
- Maintain current high standards for asset quality through disciplined credit risk management.
- Develop innovative products and services that attract the targeted customers and address inefficiencies in the Indian financial sector.
- BENEFIT OF FIVE "S"
- It can be started immediately.



- Everyone has to participate.
- Five “S” is an entirely people driven initiatives.
- Brings in concept of ownership.

All wastages are made visible.

### **SORT**

It focuses on eliminating unnecessary items from the work place. It is excellent way to free up valuable floor space.

### **SYSTEMATIZE**

Systematize is focus on efficient and effective Storage method. That means it identify, organize and arrange retrieval

It largely focuses on good labeling and identification practices. Objective: - "A place for everything and everything in its place".

### **SHINING**

Clean the workspace and all equipment, and keep it clean, tidy and organized. After the first thorough cleaning when implementing 5S, daily follow-up cleaning is necessary in order to sustain this improvement. A "Shining" work environment will lead to great efficiency gains.

### **STANDERDIZE**

It focuses on simplification and standardization. It involves standard rules and policies. It establish checklist to facilitate autonomous maintenance of workplace. It assigns responsibility for doing various jobs and decides on Five S frequency.

### **SUSTAIN**

It focuses on defining a new status and standard of organized work place. Sustain means regular training to maintain standards developed under S-4. It brings in self- discipline and commitment towards workplace organization.

## **HUMAN RESOURCES**

The Bank's staffing needs continued to increase during the year particularly in the retail banking businesses in line with the business growth. Total number of employees increased from 21477 as of March 31, 2007 to 76,286 as of March 31, 2015.

The Bank continues to focus on training its employees on a continuing basis, both on the job and through training programs conducted by internal and external faculty.

The Bank has consistently believed that broader employee ownership of its shares has a positive impact on its performance and employee motivation. The Bank's employee stock option scheme so far covers maximum employees impact on its performance and employee motivation. The Bank's employee stock option scheme so far covers maximum employees.

## **RUPEE EARNED - RUPEE SPENT**

It is more important for every organization to know about from where and where to spend money. And balanced between these two things rupee earned and rupee spent are required for smooth running of business and financial soundness. This type of watch can control and eliminate the unnecessary spending of business. In this diagram it includes both things from where Bank earned Rupee and where to spend.

HDFC BANK earned from the 'Interest from Advances' 51.14 %, 'Interest from Investment' 27.12

%, bank earned commission exchange and brokerage of 15.25 %. These are the major earning Sources of the bank. Bank also earned from the Forex and Derivatives and some other Interest Income. Bank spent 39.75 % on Interest Expense, 30.27 % on Operating Expense and 14.58 % on Provision. Bank also spent Dividend and Tax on dividend, Loss on Investment, Tax. As we discuss above that balancing is must between these two for every organization especially in the era of globalization where there are stiff competition among various market players.

## LITERATURE REVIEW

Nirmaljeet Virk and Prabhjot Kaur Mahal (2012) They carried out a study on customer satisfaction in public and private banks of India. Private bank managers maintain better personal relationship with customers than the public bank managers and this factor determines the customers' satisfaction to a large extent.

Edwin M. & Fathima S. (2011) They conducted a study on the impact of service quality and customer satisfaction in commercial banks. This study shows that there is close link between the customers' perception on the service quality factor and customer satisfaction. It further showed that the impact of the service quality factor on customer satisfaction is unique. It brought the suggestion that bank managers have to formulate appropriate marketing strategies to satisfy their customers

Naveen Kumar and V.K. Gangal (2011) They Examined customer satisfaction in new generation banks showing customer expectations increasing rapidly in the banking industry of India. New customers looked the best services at a reasonable price. The result revealed that, the majority of Indian banks were not very diversified in terms of the product and services they offer. Further, it suggests that, in the competitive banking industry, banks have to implement strategic focus customer satisfying aspects for retaining as many customers as possible.

Uppal R.K. (2010) They Conducted studies on customer complaints and this research showed that excellent customer service and customer satisfaction help to sustain business growth. Furthermore it showed that customer complaints are continuously increasing in the public sector banks adversely affecting Customers' satisfaction and performance

Dutta K. and Dutta A. (2009) They investigated the perception of expectation of customers across all the banks in India. This study showed that customers are most satisfied with the services of foreign banks followed by private and public banks. This study suggested that Indian public banks should improve their banking services.

Sachin Gupta et al (2007) They demonstrate a methodology to quantify the links between customer satisfaction, repeat-purchase intentions, and restaurant performance. The authors has constructed a series of mathematical models using the data from a national restaurant chain, that predict how the level of customer satisfaction with certain attributes of guests' dining experience affects the likelihood that they will come back. The authors constructed two different models for this study. The first one is to explore the relationship of guest satisfaction with twenty-one distinct attributes of the dining experience; the second model to explore the 40 relationship between restaurant performance and customers' reported likelihood to return. The study shows how guests' "comeback" scores and other variables affect restaurant performance. The authors argue that higher customer satisfaction should lead to increased probability of repeat purchase, which in turn should result in greater restaurant sales. The study attempts to fill a gap in the empirical literature that focuses on the restaurant sector by linking customer satisfaction to restaurant performance.

Sharma and Sharma (2006) The study analyzed customer delight in urban consumer banking. The study found out that customers were satisfied with loan facilities, bank environment, routine work procedures, location, interest rates etc and were dissatisfied with loan formalities and promotion facilities.

Arora S (2005) This study analysed factors influencing customer satisfaction in public sector, private sector and foreign banks in northern India. 300 customers were given questionnaires which reveled that significant differences exist in customer satisfaction level of customers in each group of banks regarding routine operation and situational and interactive factors. Foreign banks were found to be the leaders in mechanization and automation

Debashis and Mishra (2005) The study analyzed and measured customer satisfaction in branch services provided by nationalized banks in northern India . 1200 customers were given questionnaires and it was found out that computerization, accuracy in transactions, attitude of staff and availability of staff influenced customer satisfaction. Least important factor was promotion of the products and various schemes.

Mushtaq M Bhat (2005) This study finds out service quality parameters in bank through

SERVQUAL and influence of demographic variables. The study was limited to SBI, PNB, Jammu and Kashmir bank Citi bank and Standard Chartered Grind lay's bank. Sample size was 800 and study found out that foreign banks are better than Indian banks. SBI was found to be relatively poor on reliability and responsiveness. Banks in Delhi were comparatively better in service quality

## RESEARCH METHODOLOGY

Research is a careful investigation or inquiry especially through search for new facts in branch of knowledge: market research specifies the information. Required to address these issues: designs the method for collecting information: manage and implements the data collection process analyses the results and communicates the finding and their implications.

Research problem is the one which requires a researcher to find out the best solution for the given problem that is to find out the course of action, the action the objectives can be obtained optimally in the context of a given environment.

## RESEARCH DESIGN

A framework or blueprint for conducting the research project, it specifies the details of the procedures necessary for obtaining the information needed to structure and/or solve research problems. A good research design lays the foundation for conducting the project. A good research design will ensure that the research project is conducted effectively and efficiently. Typically, a research design involves the following components, or tasks: > Define the information needed.

- Design the research.
- Specify the measurement and scaling procedures.
- Construct and present a questionnaire or an appropriate form for data collection.
- Specify the sampling process and sampling size.

Develop a plan of data analysis.

## DATA COLLECTION

The objectives of the project are such that both primary and secondary data is required to achieve them. So both primary and secondary data was used for the project. The mode of collecting primary data is questionnaire mode and sources of secondary data are various magazines, books, newspapers, & websites etc.

**Primary Data:** The primary data was collected to measure the customer satisfaction and their perception regarding HDFC Bank. The primary data was collected by means of questionnaire and analysis was done on the basis of response received from the customers. The questionnaire has been designed in such a manner that the consumer's satisfaction level can be measured and consumer can enter his responses easily.

**Secondary Data:** The purpose of collecting secondary data was to achieve the objective of studying the recent trends and developments taking place in banking.

Sample size - 100 customers were selected.

Sampling Technique - Convenient sampling.

Types of research design used - Exploratory research design

Analysis and Interpretation

After the data collection, it was compiled, classified and tabulated manually and with help of computer. Then the task of drawing inferences was accomplished with the help of percentage and graphic method

## DATA ANALYSIS AND INTERPRETATION

Which age group do you belong to?

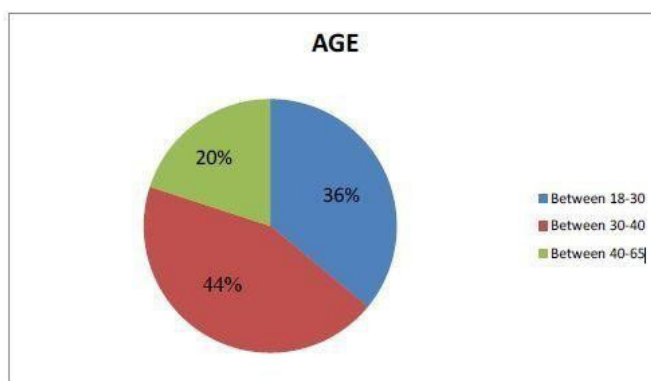
(4.1) Table showing the age group of the respondents

Response	No. of respondents	% Age of respondents
Between 18-30	36	36
Between 30-40	44	44
Between 40-65	20	20
TOTAL	100	100

Interpretation

From the above table, it is clear that majority of them i.e 44% of the respondents belong to the age Category of 30-40; 36% belong to the category of 18-30 and the remaining to the category of 40- 65.

(4.1)Chart showing the age group of the respondents



## GENDER OF THE RESPONDENT?

(4.2) Table showing the gender of the respondent

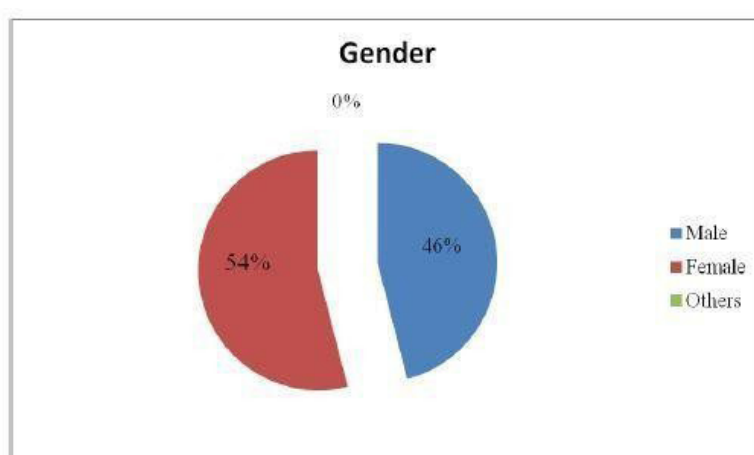
Responses	No. of respondents	% Age of respondents
Male	46	46

Female	54	54
Others	-	-
TOTAL	100	100

### Interpretation

From the above table, it is shown that 54% of the respondents are female and the rest 46% are Male respondents.

(4.2) Chart showing the gender of the customer



## Occupation of the respondent?

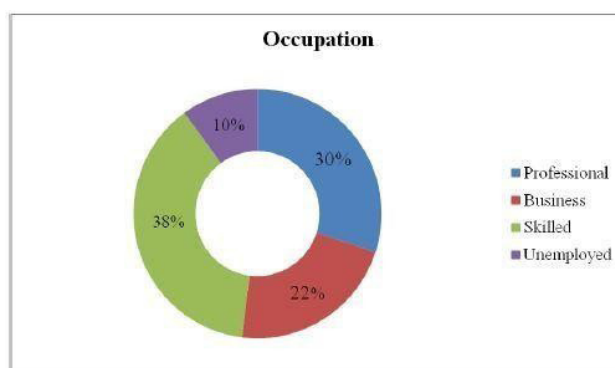
**(4.3) Table showing the occupation of the respondent**

Responses	No. of respondents	% Age of respondents
Professional	30	30
Business	22	22
Skilled	38	38
Unemployed	10	10
TOTAL	100	100

**Interpretation**

From the above table, it can be interpreted that 10% are unemployed, 22% of the respondents are self-employed (Business), 30% of the respondents are professionals and the remaining 38% belong to the skilled category.

**(4.3) Chart showing the occupation of the respondent**



**ANNUAL INCOME OF THE RESPONDENT?**

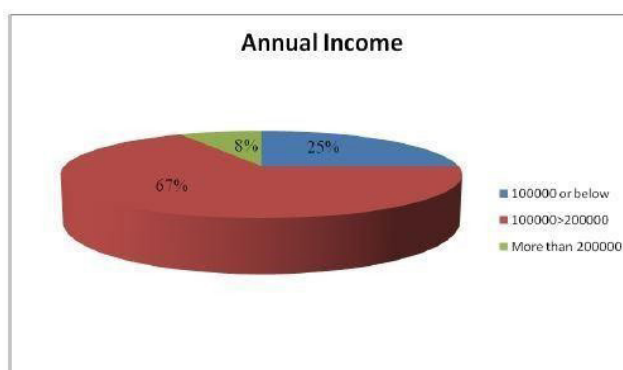
**(4.4) Table showing the annual income of the respondent**

Responses	No. of Respondents	% Age of respondents
1,00,000 or below	25	25
1,00,000 > 2,00,000	67	67
More than 2,00,000	8	8
TOTAL	100	100

**Interpretation**

From the above table it is shown that 8% of the respondents have an annual income of more than 200000; 25% of the respondents have an annual income of 100000 or below and the remaining 67% belong to the category of having an annual income of more than 100000 but less than 200000.

**(4.4) Chart showing the annual income of the respondent**



For how long you are part of HDFC Bank?

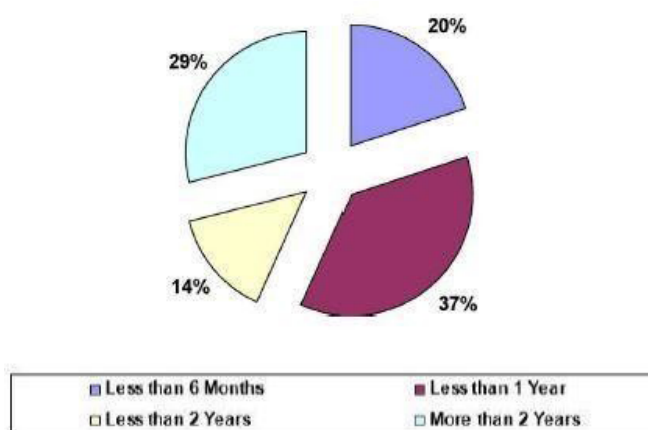
(4.5) Table showing the duration of the customer with the bank

Response	No. of Respondents	% age of Respondents
Less than 6 Months	20	20
Less than 1 Year	37	37
Less than 2 Years	14	14
More than 2 Years	29	29
Total	100	100

#### Interpretation

From the above table it is clear that majority of the respondents are part of HDFC Bank from last one year i.e. 37%; 29% of the respondents are part of HDFC Bank from last more than 2 years; 20% respondents from 6 months and remaining 14% respondents are part of HDFC Bank for last 2 years.

(4.5) Chart showing the duration of the respondent with the HDFC bank



## FINDINGS, SUGGESTIONS AND CONCLUSIONS

### FINDINGS OF THE STUDY

Majority of the customers are satisfied with HDFC Bank.

Majority of the customers are aware of services and extra services offered by HDFC Bank. But not all the services.

The majority of the customers found services of the bank are average.

Majority of the respondents are found the bank is average in maintaining the good customer relationship.

Majority of the respondent said that they are facing the problem of timeliness and rest are facing problem of customer relationship and infrastructure.

The perception of the majority of the customer regarding the bank is good because majority of the customers are satisfied with the bank and they also recommend the products of the bank.

The most preferable extra service is ATM's and the less preferable services are bills payment, net banking and phone banking.

The majority of customers are more interested in FD's, mutual funds and saving a/cs.

The majority of the customers are satisfied with the dealing of the officials upto some extent.

Main factor that attract customers towards bank is the services of the bank.

Services that are most used by the customer are saving a/c, FD's, current a/c and loans.

**SUGGESTIONS AND RECOMMENDATIONS**

More stress should give on the advertisement and promotional activities.

The Bank should make some efforts to improving good relationship with customer.

The bank should enhance their services according to the needs of the customer.

The bank should make its procedures less time consuming.

The bank should make effort to aware the customers about their all the extra service

**LIMITATIONS OF THE STUDY**

- It is said, "Nothing is perfect" and if the quite is true, I am sure that there would be few shortcoming in this project also. Sincere efforts have been made to eliminate discrepancies as far as possible but few would have reminded due to limitations of the study. These are:
- The research was carried out in a short period.
- Limited sample size.
- The information given by the respondent might be biased some of them might not be interested to give correct information.

Some of the respondents of the survey were unwilling to share information.

**CONCLUSION**

At the end I would like to conclude that The Indian banking market is growing at an astonishing rate, with Assets expected to reach US\$1 trillion. HDFC bank had a network of 4,014 branches And 11,766 automated teller machines in 2,464 cities in India. The majority of customers are satisfied, so the bank should target the customers who are not satisfied. The customers are aware about majority of the bank's services but the Bank should try to create more awareness among people. HDFC Bank should lay more stress on advertisements, both in print as well as in other media for this purpose. Number of formalities should reduce, owing to the inconvenience of the customers. Reducing the formalities will save the time of the bank as well.

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# A STUDY ON THE PERFORMANCE OF SELF HELP GROUPS

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## ABSTRACT

In recent times, innovative efforts have been going on in the direction of institutionalising the rural people especially the weaker and the marginalised sections of the community and micro enterprise promotion. People in the development field feel that it is a pre-requisite for empowering the rural poor, promoting sustainable development of rural economy and to reduce the rural-urban disparities. The current SHG strategy is therefore mobilisation of village women for saving and credit, and economic empowerment of rural women through micro- enterprises. The efforts put in by different promotional agencies are expected to result in starting of micro- enterprises which open the avenues for profitable livelihood opportunities to the poor women households in the rural area.

## INTRODUCTION

The concept of Self Help Groups serves to underline the principle “for the people, by the people and of the people”. A Self Help Group (SHG) is a village-based financial intermediary committee usually composed of 10-20 local women or men. These groups can be either registered or unregistered. Self Help Group approach is a new paradigm into the field of rural development which main objective are to increase the well-being of the people, provide access to resources and credit, increase self- confidence, self –esteem and increase their creditability in all aspects of lives. Women face a wide range of biases in society, unequal opportunities in education, employment and assets ownership. Women’s income is vital to the well-being of children, women has a greater positive impact on child survival and nutrition than does additional income in the hands of men. Poverty is the root cause of all evils for the development of women. Majority of the third world women are involved in the informal sectors of economic activities. Most of these activities do not yield sufficient income to eradicate women poverty. The SHGs today have become a vehicle to pursue diverse development agendas and even for the profit motive. SHGs are effective in reducing poverty, empowering women and also development of the rural areas. Micro-finance sector is dominated by SHG bank linkage programme as a cost effective mechanism for providing financial services to the „unreached poor. Self-help as a strategy for social development places emphasis on self-reliance, human agency and action. It aims to mobilise people, to give them voice and build people’s organisations that will overcome barriers to participation and empowerment. Central to the idea of self help is the formation of groups, concepts of a community and the development of egalitarian relationships that will promote people’s wellbeing.

The approach towards uplifting the poor women economically should be self help. Thus Self Help Group is considered as the movement of self development. Self Help Group is the institution setup through which the micro credit is routed by the formal and semi formal micro finance institution to assist the poor women.

## SHGS EXPERIENCE

Self help groups (SHG) is now a well known concept. It is now almost two decades old. It is reported that the SHGs have a role in hastening country’s economic development. It has now evolved as a movement. SHGs are basically formed by women for which the participation of women in the country’s economic development is improving. Self Help Group in India has come a long way, since its inception in 1992 as during that time NABARD took real effort to form linkage of SHGs with the banks. It has made dramatic progress from 500 groups in 1992 to some 20,18,456 groups that have taken loans from banks. The NABARD (2016) said that the micro-finance exhibited a robust growth with 50% jump in loans disbursed consecutively during last three years Rs 23682 crore during 2013-14 to Rs 37599 crore and further to Rs 61860 crore during 2015-2016 (as per data). There was a net addition of 2.06 lakhs SHGs during the year increasing the number of SHGs having linkage to 78.03 lakhs as on March 2016.

## **INITIATIVES OF NABARD**

NABARD defines it as a group of 20 or less people from a homogenous class who are willing to come together for addressing their common problems. Generally the Self Help Group is a development group and informal in nature may consist 10 to 20 persons. In case of areas with scattered and sparse population and difficult areas like desert and hills, this number may be from 5-20. The difficult areas have to be identified by the state level committee and the above relaxation in membership will be permitted only in such areas. The group shall not consist of more than one member from the family. The central idea of self-help is: "You alone can do it- but you can't do it alone." The SHG method is used by the government, NGOs and others worldwide. SHG are considered as an important institution at local level.

NABARD(1995) defines Self Help Group as a homogeneous group of rural poor voluntarily governed to save whatever the amount they can conveniently save out of their earnings and mutually agrees to contribute to a common fund to lend to the members for meeting their productive and emergency consumptive credit needs.

The NABARD guidelines to banks for implementation of the pilot project allowed ample flexibility to the participating banks to innovative responses and observed variations in the grassroots level situations. It aimed at providing credit to the informal SHGs of rural poor, through the banking system, with minimal documentation and simplified procedures. NABARD's mission under SHG - Bank linkage programme aimed at the economic empowerment of the rural poor by improving their access to the formal credit system through various credit innovations in a cost effective and sustainable manner.

## **REVIEW OF LITERATURES**

Keshava , A. K. Mehta and Gill H. K. (2010) indicated that about 37 per cent members had either started new economic activities or expanded the economic affairs after joining the groups. Average monthly income obtained from new activities was Rs. 2600. About 59% respondents started economic activities related to agriculture and allied sector. Around 53% of group members, who started new activity, did all the arrangements of procuring raw materials to marketing of final product. About 82 % respondents, who faced financial problems in running the activity, relied on group savings for taking loans.

Rajendran K. and Raya R.P. (2010) viewed that micro credit initiatives brought psychological and social empowerment than economic empowerment. The respondents of Natrampalli block were well empowered than their counterparts in Nemili block even though both the blocks have same level of socioeconomic conditions. Age and education were not having any influence on empowerment as well as on managerial skill development among rural women. Impact of micro finance was appreciable in bringing confidence, courage, skill development and empowerment but there was no positive impact in sustainable rural development especially reduction of poverty, creation of employment opportunities and creation of assets in rural areas. There was appreciable development in planning, coordination, decision making and financial skills among the leader respondents. But the effect of micro finance on communication, competency, technical, marketing and entrepreneurial skills were moderate only. There was a definite improvement of managerial skills, psychological wellbeing and social empowerment among rural women as a result of participating in micro credit through SHG programme.

Sushil Kumar Mehta and others (2011) revealed that the rural people have been vastly benefited by micro finance. It has helped them in their socio-economic upliftment. The rural poor now feel that they can also be partners in the process of rural development by joining in the SHG movement. The training of the members by the NGOs had increased their confidence, restored self-worth and improved their social concern about the neighbours. This study has also indicated that even though the members have joined the SHGs for various reasons, all of them have one common goal, which is seeking a better standard of living via a better organisation that works for their benefits. Hence, it was concluded that the SHGs have proved that they could serve as an alternative instrument of financial intermediation for the poor.

Sahu Lopamudra1 and Singh Suresh (2011) highlighted that SHGs were the key instruments in women's empowerment which were generally facilitated and supported by NGOs. NGOs advised and trained in a variety of on and off farm income-generating activities. SHGs had played very important role in supporting women by strengthening their earning ability, boosting their self-confidence and promoting regular savings. Thus the participants had economic security, easy credit accessibility, better decision making in family, improved family environment (relative freedom from domination), increased

mobility and improved political and legal knowledge. SHGs have provided women a common platform to discuss and solve their individual and community problems.

Anita Makkar and Sharmila Kumari (2012) revealed that SHGs have been identified as the potential pathway to alleviate poverty. The numbers of poor women enrolling in SHGs have been increasing remarkably all over rural India. SHGs have all the potential to bring powerful impact on women's empowerment. To reduce poverty by enabling the poor household to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihood on a sustainable basis, through building strong grass-root institutions of the poor (SHGs) were the main motive of the most of the employment schemes. Thus SHGs have been showing the way ahead to alleviate the poverty of India along with women empowerment.

## STATEMENT OF THE PROBLEM

In recent times, innovative efforts have been going on in the direction of institutionalising the rural people especially the weaker and the marginalised sections of the community and micro enterprise promotion. People in the development field feel that it is a pre-requisite for empowering the rural poor, promoting sustainable development of rural economy and to reduce the rural-urban disparities. The current SHG strategy is therefore mobilisation of village women for saving and credit, and economic empowerment of rural women through micro- enterprises. The efforts put in by different promotional agencies are expected to result in starting of micro- enterprises which open the avenues for profitable livelihood opportunities to the poor women households in the rural area (Ravichandran K. & Revathi Bala .M (2008).

It has been the dream of the voluntary agencies and bankers to develop the ordinary women in our rural areas and in the urban slums into citizens with dignity and capable of earning breads. These people of small means are almost all times, at the control of the landlords, moneylenders and other men of means, who always exploit rather than helping them to come up in their life. The SHGs promoted with the major object of extricating the vulnerable from the clutches of these merciless people. The SHGs become strong and vibrant social and economic movement in the country. As a result, programmes targeting these women are being formulated and implemented both by government and non-government organisations with the active financial support from the national level financial institutions and the international donor agencies. They encourage these groups to promote micro entrepreneurial activities. Some made success in their endeavour and others are striving to succeed in their attempt. This study is conceived to ascertain the factors contributing to the success or failure of the SHGs based enterprises promoted by NGOs.

## OBJECTIVES OF THE STUDY

The study is conducted with the following objectives

- To study the overall socio economic status of the SHG members
- To understand the lending and recovery practices adopted by the members of SHGs in Mysore
- To identify the problem faced by the SHG Members to starting Micro enterprises.

## METHODOLOGY

Primary sources of data were used for the study. For the study, sample of 150 respondents from the Mysore representing 30 SHGs were purposively selected and the data required for the study were collected from them by administering a well prepared Interview Schedule.

## THE FINDINGS OF THE STUDY (TABLE-1)

- Majority of the women SHG members belonged to 30-40 years of age group. So, the women have gained sufficient experience to run the micro enterprises.
- The majority of SHG women under the study belonged to Hindu religion.
- Majority of SHG women represented the backward community followed by scheduled caste and most backward

communities.

- All the SHG members were married and majority of the SHG members lived in independent nuclear families.
- Most of the SHG members in the study villages lived in tiled and pucca houses.
- The educational level of the respondents showed that majority of them were illiterate (52.7%) and as such the poor literacy status was likely to have its influence on the performance of the SHG women as entrepreneurs.
- Majority of the groups were able to mobilise enough money for lending to their own members and to maintain financial relation with banks, to enable themselves to borrow sufficient money whenever they need it for on-ward lending to their members.
- Most of the SHG members felt that the objective of the SHG was to generate self-employment.
- Majority of the women members of the groups were having weekly savings habit and they were able to save more amount in a short span of time.
- Most of the SHG members preferred Hotel and Petty shop business, as they were living in villages in and around Mysore having more number of moving populations.
- Most of the respondents of SHGs worked as non-farm sector labour before having membership in SHGs.
- After becoming the SHG members, they performed different trades which are also categorised as non-farm sector activities.
- SHG promoted NGOs played a major role in the formation of idea for the trade and for starting the business by the SHG women, who did not have any idea regarding the trades.
- Most of the SHG members felt that self-motivation and self-initiative are two important traits required for starting the micro-enterprises.
- The study revealed that the SHG women's interest, their exposure and familiarity to trade were found to be the prompting factors. The influence of friends and family in the selection of trade remained as a secondary factor.
- The SHG members of the groups benefited much with financial assistance given by the SHG for starting the micro enterprises.
- Majority of the groups were strong enough to supply credit to the members for pursuing micro traders of their interest.
- The study found that every three out of four women were getting the guidance of NGOs and Voluntary Organisations by virtue of being the members of the SHGs.
- The study revealed that the micro enterprises taken up by the women helped to increase their standard of living and to have surplus in the form of additional savings for meeting the domestic expenses.

## **THE PROBLEMS FACED BY SHG WOMEN ENTREPRENEURS**

The women folk of the rural areas face a number of problems while accessing credit. Of instance, collateral security, cultural distance between rural women and banks, high transaction cost, restricted and fixed banking hours, inflexibility in quantum and purpose of credit, inconvenient repayment schedule, cumbersome procedure and exploitation by the intermediaries. Dissatisfaction with the result of many provides affective financial service to the rural people, particularly to the rural women. Taking a leaf out of the book of developing countries like Bangladesh, Indonesia, Bolivia and Philippines where the

combination of the combine efforts of formal and informal finances provide sustainable and valuable services to the poor. Few NGOs in India have started experimenting on innovative schemes of Self Help Group.

## **SWOT ANALYSIS**

### **Strengths**

- Monetary and moral support of NGO
- Ability and skill development
- Free initial capital support
- Assured regular wages
- Revolving fund to SHGs
- Constant motivation
- Proper keeping and maintenance
- Technical support
- Quality maintenance
- Marketing linkages with all groups

### **WEAKNESS**

- Hesitation for door-to-door sales
- Family tie-ups and tradition
- Low level of literacy
- Ignorance and lack of capabilities
- Poor socio-economic milieu
- Lack of social independence
- Opposition for free mobility from family
- members to learn more skills
- Fear to handle machineries
- Poor observation and learning capacity

### **OPPORTUNITIES**

- High level of awareness
- Separate identity
- Communication
- Linkage with all groups
- Socio-cultural changes
- Increase in standard of living

### **THREATS**

- Withdrawal of NGO support
- Stoppage of assistances through projects
- Competition
- Innovative Products
- Lack of advertisement
- Lack of advertisement
- Physical inabilities to handle machineries
- Increasing technology

## **CONCLUSION**

Self Help Group has somewhat changed the women's status socially and economically, as they have played an important role in providing financial assistance, decision making in the family as well as being helpful to the other members of the group and educating their children which have enable the women in improving the relationship with the family also. There is a scope for the SHGs to turn into an effective participatory mechanism to promote socio-economic development. It is true that the SHGs are organised and are based on principles of self-help in order to develop conditions for to begin with providing savings and credit service to its members. The study shows that the SHGs have a minimum contribution in promoting women empowerment which has to get increased by having collaboration with the local NGOs and Government agencies.

In the study most of beneficiaries are female belonging SHGs as compared to male. Study reveals SHGs touched upon lives of particular poor women lived in rural areas.

It is found that the women in the SHGs have gained self confidence for social and economic self reliance and self sufficient among the members. The women in the SHGs are less dependent on personal saving sources rather they prefer the banks to save their saving which is a positive sign in itself. Being a member of the SHG the women are getting the exposure to have a social interaction with other people.

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Table – 1

S.No.	Variables		No. of Respondents	Percentage
1.	Age	20 – 30	46	30.6
		31 – 40	95	63.3
		41 and above	9	6
2.	Religion	Hindu	124	82.6
		Christian	7	4.7
		Muslim	19	12.7
3.	Community	BC	75	50.0
		MBC	34	22.7
		SC	41	27.3
4.	Family type	Joint	34	22.7
		Nuclear	116	77.3
5.	Type of House	Pucca	59	39.3
		Tiled	82	54.7
		Tatched	9	6
6.	Educational Status	Illiterate	79	52.7
		Middle	53	35.3
		High School	16	10.7
		UG	2	1.3
7.	Occupation	Flour Business	29	19.4
		Milk business	23	15.3
		Sweet Stall	9	6
		Tailoring	15	10
		Hotel and Petty Shop	54	36
		Fancy Store	15	10
		Cycle Store	5	3.3
8.	Age of the SHG	Below one year	4	2.7
		2 – 4 years	69	46.0
		5 – 7 years	77	51.3
9.	Opinion on the Objectives of the Group	Enhance family income	55	36.7
		Generate self-employment	62	41.3
		To borrow in need of urgency and loan	24	16.0



		Social development	9	6.0
10	Savings of the Group	Monthly	29	19.3
		Weekly	120	80.0
		Fortnightly	1	0.7
11	Traits required for starting Enterprises	Self-motivation	72	48
		Skill development	15	10
		Initiative	53	35.3
		Hard work	10	6.7
12	Source of Loan	Loan from SHG	137	91.3
		Loan from Bank	8	5.3
		Loan from SHG and Bank	4	2.7
		Own capital and loan from SHG	1	0.7
13	Source of marketing	Own	90	60
		Through shops	34	22.7
		Through village cooperatives	23	15.3
		Through NGO	3	2.0
14	Community Activities	Rally	6	4
		Rain water harvesting	12	1.3
		Teaching	14	9.3
		Sanitation	3	2.0
		Awareness program	1	0.7

# A STUDY ON CUSTOMER SATISFACTION TOWARDS FLIPKART

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## ABSTRACT

The study focused on the purchasing pattern of the consumers, to evaluate the satisfaction level of services provided by Flipkart, Customer loyalty is usually viewed as the power force of the relationship between the attitude of individual's relative and repeat patronage. Customer can buy anything from online such as books, household's product, toys, hardware and software etc. Moreover, in just few decade the internet has become more popular to Adult and young shopper because the internet offers significant advantages. Customer loyalty is one of the most over used phrases in business today. For fulfilling these objectives descriptive research design has been used. The data from 50 respondents have been collected from the area of South Chennai city. Shoppers can visit web site and shop just sitting in form of computer. Ability of the internet contains wide range of collecting information, supplying a service or purchasing a product Flipkart should work towards them so that it can increase its customers and finally profit.

**Keywords** Customer Satisfaction, Purchasing Pattern, Customer loyalty, Flipkart

## INTRODUCTION

The online shopping trend around the world spread very fast. —The Neilson Company conducted survey in 2010 and polled over 27000 internet user in 55 market from as a in pacific, Europe, middle east, north America a to look at how consumers shop online (Neilson, 2010). Globally online shopping is made on books and cloths as per survey data. Most people are interested to purchase and bought usually books and cloths. Alternative names are: e-web-store, e-shop, e-store, internet shop, web-store, online store, online storefront and virtual store. Mobile commerce (or m-commerce) describes purchasing from an online retailer's mobile optimized online site or app. Internet makes life simple and innovative. People are doing business online and trade has become more easy and fast. Internet provides new ways to promote business. Website becomes the essence of online business as to show their services and products. Internet gathers all competitors and consumers in one place. It brings new lane to promote, advertise products and services in market. Online consumers are always seeking new products, new attractiveness and the most important thing being price compatibility with their budget. The internet is best way to save time and money through purchasing online within their range of budget at home or in anywhere. Online consumers don't have limits to online shopping. They also use internet for comparison of prices of goods and services, news, visit social networks and search information and so on. Online shopping behaviors depends upon factors such as shopping motives, personality variables, internet knowledge and experience and last factor of shopping incentives etc.. The main purpose of this research is to analyse online consumer behaviour in a systematic way. What factors affect online shopper while making the decision to buy goods and services from internet, to buy more items and give information about the product from website. Online shopping is the process of buying goods and services through internet. Since the development of World Wide Web, retailers sought to sell their goods and services through internet.. It offers you to Access to products and services which are not handy in local market. Online shopping is described as a computer activity performed by a consumer via a computer based interface, where consumer's computer is connected to retailer's digital storefront through a network (Haubl & Trifts, 2000).

**REVIEW OF LITERATURE**

Wilson, Zeithaml, Bitner & Gremler's (2008) view, the marketing is not like the traditional marketing anymore. It has turned into relationship marketing now which means customers also involve the whole business process. Who should take their customers into consideration and know what customers really needs (Wilson et al., 2008).

Oliva, Oliver & MacMillan (1992), primarily proposed the theory of "expectation inconformity", that is, when the goods' practical situation is beyond their expectation the customers will feel satisfied. However, contemporarily come up with that the products and service quality will also directly affect the customers' Satisfaction.

Lee & Lin (2005) identified the main factors influencing the customer perception of the e-service quality online shopping: website design (degree of users friendliness), reliability (reliability and security), responsiveness (responsiveness and helpfulness), trust (trust and mechanisms provided by a website), and personalization (differentiating services to satisfy specific individual needs).

**OBJECTIVES OF THE STUDY**

- To study about customer satisfaction towards Flipkart.
- To identify the offers and replacement.
- To identify what type of product are sold in Flipkart.
- To determine the impact of factors towards online shopping experience of Flipkart
- To know the price level issued by the Flipkart

**NEED FOR THE STUDY**

To know the customer satisfaction and the services done by the Flipkart to capture the customer and to determine the offer and discount issued by the amazon to attract the customer and to know the preference level of the customer towards Flipkart.

**LIMITATIONS OF THE STUDY:**

- The answer to the questionnaire largely depends upon the mind setup of the respondents.
- Respondent's opinion may not be free from bias.
- The sample size was limited to 100.

**RESEARCH METHODOLOGY****DESCRIPTIVE RESEARCH:**

Descriptive research includes surveys and fact findings enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. In social science and business research we quite often use the term Ex Post Facto Research for descriptive research studies. The main characteristics of this method are that the researcher has no control over the variables; he can only report what has happened or what is happening. Most ex post facto research projects are used for descriptive studies in which the researcher seeks to measure such items as, for example, frequency of shopping, preferences of people, or similar data. The methods of research utilized in descriptive research are survey methods of all kinds, including comparative and correlational methods.

**DATA COLLECTION:****PRIMARY DATA:**

The primary data are those which are collected afresh and for the first time, and thus happen to be original in character.

**SECONDARY DATA:**

The secondary data, on the other hand, are those which have already been collected by someone else and which have already been passed through the statistical process.

**SAMPLING**

Sampling may be defined as the selection of some part of an aggregate or totality on the basis of which a judgement or inference about the aggregate or totality is made. In other words, it is a process of obtaining information about an entire population by examining only a part of it.

**SAMPLING SIZE**

Direct questionnaire method was used to identify the sample for this study 100 sample from customers.

**SIMPLE RANDOM SAMPLING:**

Simple random sampling is the method of sample selection, which gives each possible sample combination an equal probability of being picked up and each item in the entire population to have equal chance of being included in the sample.

**TOOLS APPLY:**

The questionnaire was conducted by 20 questions framed according to objectives of the study; it is a closed ended model

Particulars	Categories	Frequency	Percent	Cumulative Percent
Age	15-25	36	36.0	36.0
	26-35	20	20.0	56.0
	36-45	36	36.0	92.0
	Above 45	8	8.0	100.0
Gender	Male	46	46.0	46.0
	Female	54	54.0	100.0
Occupation	Self Employed	36	36.0	36.0
	Professional	12	12.0	48.0
	Salaried	30	30.0	78.0
	House Wife	6	6.0	84.0
	Student	16	16.0	100.0
	Total	100	100.0	
Preference on Online Shopping	Yes	100	100.0	100.0
Frequency of Purchase from Online Purchasing	Weekly	23	23.0	23.0
	Monthly	41	41.0	64.0
	Occasionally	36	36.0	100.0

Source: Primary Data

It is observed from the above table that majority of the respondents are from 15-25 years and 36-45 years age group. They each account for 36 percent of the total respondents. Male respondents were slightly more than female respondents with 54 respondents and 46 respondents. Based on the occupation self-employed respondents dominated rest of the respondents. All the respondents preferred to use online shopping. The occasional purchasers were 36 percent, monthly purchasers were 41 percent and weekly purchasers were 23 percent.

Particulars	Categories	Frequency	Percent	CumulativePercent
Preference on Amazon Online Shopping	Yes	100	100.0	100.0
Medium through which Amazon got introduced	Advertisement	30	30.0	30.0
	Internet	36	36.0	66.0
	Neighbors	14	14.0	80.0
	Friends/Relatives	20	20.0	100.0
Product Purchased from Amazon	Clothing, Shoes & Jewellery	34	34.0	34.0
	Electronics & Computers	36	36.0	70.0
	Healthy & Beauty Products	22	22.0	92.0
	Others	8	8.0	100.0

Source: Primary Data

Particulars	Categories	Frequency	Percent	CumulativePercent
Frequent Buyer of Amazon	Yes	66	66.0	66.0
	No	34	34.0	100.0
	Total	100	100.0	
Discount Offered	Weekly	22	22.0	22.0
	Monthly	36	36.0	58.0
	Daily	8	8.0	66.0
	Festival Season	34	34.0	100.0
Value of Purchase in a Year	Below 1000	32	32.0	32.0
	1000-3000	33	33.0	65.0
	3001-5000	31	31.0	96.0
	Above 5000	4	4.0	100.0
Problems Faced	Out of Stock	20	20.0	20.0
	Payment Issues	16	16.0	36.0
	Replacement Issues	4	4.0	40.0
	Delay in delivery	36	36.0	76.0
	No issues	24	24.0	100.0

Source: PrimaryData

Particulars	Categories	Frequency	Percent	CumulativePercent
Mode of Payment on Amazon	Credit/Debit Card	32	32.0	32.0
	Cash on delivery	48	48.0	80.0
	EMI	18	18.0	98.0
	Gifts of Product	2	2.0	100.0

Availing Offers from Amazon	Yes	30	30.0	30.0
	No	70	70.0	100.0
Replacement of Flipkart Products	Yes	34	34.0	34.0
	No	66	66.0	100.0
Reasons for preferring Amazon	Fast Delivery	52	52.0	52.0
	Easy Payment	14	14.0	66.0
	Quality & Quantity	13	13.0	79.0
	Time Saving	21	21.0	100.0
Delivery on mentioned date	Perfectly Same	47	47.0	47.0
	Same	20	20.0	67.0
	Almost Same	17	17.0	84.0
	Different	16	16.0	100.0
Delivery of the ordered products	Mentioned Date	49	49.0	49.0
	Before Mentioned Date	28	28.0	77.0
	After Mentioned Date	23	23.0	100.0

## FINDINGS&SUGGESTIONS

- 15-25 years and 36-45 years age group. They each account for 36 percent of the total respondents. Male respondents were slightly more than female respondents with 54 respondents and 46 respondents. Based on the occupation self-employed respondents dominated rest of the respondents. All the respondents preferred to use online shopping. The occasional purchasers were 36 percent, monthly purchasers were 41 percent and weekly purchasers were 23 percent.
- It is observed from the above table that F value (2.514) is not statistically significant at five percent level which indicates that there is no internal difference among male and female respondents towards product reliability on Flipkart.
- The flipkart e-commerce sites should takes the primary issues really serious as well as the delivery of product with better return policies to make themselves credible before the eyes of the customer.
- Consumer should be educated on online shopping procedures with proper steps to be followed while online shopping
- Can make very delivery to all priced product
- Flipkart focused on the review given by customer for changes begin the product

## CONCLUSION

A Study on online shopping is a new technology that has been created along with the development of the Internet. The study consisted with the aspects in which customers of Flipkart are satisfied and the Customer satisfactions of the sites. The innovative thinking of online shopping sites to reach more and more consumers is appreciable. They increased their network as much as possible with ultimate aim of reaching more and more customers. Based upon customer's survey, However, Flipkart satisfies the customer in the aspect of quality of products

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# PRACTICE OF STRATEGIC HUMAN RESOURCE MANAGEMENT IN THE BUTTERFLY LTD

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## ABSTRACT

SHRM implications in different part of the worlds have been investigated in different research papers. Many authors have maintained that strategic human resource management is directly linked to organizational performance. However, despite the increasing popularity of SHRM; there have been very few systematic evaluations of the claims that it is linked to performance and doubts remain as to its theoretical foundations. Current paper investigates and analyzes the impact SHRM implementation on the three basic patterns, concept and core of strategic human resource management. It looks into the five practices of strategic human resource management in the enterprise and the problems we must pay attention to.

**Keywords:** human resource practice, strategic human resource management

## INTRODUCTION

Firms must constantly improve their performance by reducing costs, enhancing quality, and differentiating their products and services in order to compete effectively. Moreover, due to uncertainty of environment increases, competition is getting tough, corporation cannot guarantee their continued ability to compete by price, quality competition. So the key to business success is faster than the competitor by innovation and speed customer response competition (Chang & Huang, 2005). Barney (1991) point out the enterprises achieve sustainable competitive advantage only by the value, rarity, difficult to copy and difficult to imitate. Enterprise resources in his paper “enterprise resource and sustained competitive advantage”. This seems to be agreement on the need to promote in modern companies that human resources are the major source of competitive advantage. Consequently, traditional personnel job is being changing in to HRM in order to becoming a part of strategic management with the purpose of integrating human resource activities to fit business need.

### The concept of Strategic Human Resource Management

Some scholars have described SHRM as an outcome, others have explained it as a process, and others have considered it a combination of process and outcome (Chang & Huang, 2005). As Wright and McMahan (1992) identified SHRM “the pattern of planned HR deployments and activities intended to enable a firm to achieve its goals”. As a process, Ulrich and Lake (1991) described SHRM as a process of linking HR practices to business strategy. Moreover, Bamberger and Meshoulam (2000) argued that SHRM is a competency-based approach to personnel management that focuses on the development of durable, imperfectly imitable, and non-tradable people resources. Considering both process and outcome together, some scholars defined SHRM as the linkage of HR functions with strategic goals and organizational objectives to improve business performance and cultivate an organizational culture that fosters innovation and flexibility (Truss & Gratton, 1994). Integrated the above statements, and the background of strategic human resources management, strategic human resource management can be defined as: it is the process that select, develop, retain and motivate human resources combining business with Organization’s strategic objectives, the external environment.

### The core of Strategic Human Resource Management

A lot of research about strategic human resource management point out the relationship between organizational performance and strategic human resource management and competitive advantages (Huselid & Schuler, 1997; Tzafrir, 1999; Shanshi,

2008). Recent theoretical works on business strategy have indicated that firm competitive advantage could be generated from firm human resources (HR). According to the resource-based view (Barney, 1986) the firm could develop sustained competitive advantage through creating value in a manner that is rare and difficult for competitors to imitate. HR is an invisible asset that creates value to enhance firm ability to deal with a turbulent environment when it is embedded in the operational system. Therefore, the core of strategic human resource management is to gain competitive advantage and improve business performance by HRM system, HRM practices based on strategic goals and organization-orient.

### **Model of strategic human resource management**

Despite the different perspectives at different institutes, we can summarize three different modes of strategic human resource management: universalistic mode, contingency mode, configuration mode.

#### **Universalistic modes**

It has been suggested that there is a universal set of human resource (HR) best practices that can enhance a firm's performance. Actually, Universal model consider some best human resource management practices (BHRMPs) can promote the business performance improvement. Proponents of this approach argue that the more intensively an organization implements best practices, the stronger its organizational performance will be. Accordingly, there is a simple direct relationship between several individual and isolated HR practices and organizational performance (Delery & Doty 1996). Some scholars maintain that such an approach may be successful (Huselid & Becker, 1996; Pfeffer & Veiga, 1999). Others contend that the effectiveness of HRM practices depends on the specific organizational and environmental context (Jackson & Schuler 1995).

#### **Contingency modes**

Contingency arguments are more complex than universalistic arguments because they imply interactions rather than the simple linear relationships involved in the universalistic perspective (Venkatraman, 1989). Contingency model think the relationship between human resource practices and organizational performance is not a simple linear relationship. In fact, they are subject to critical contingency factors which are likely to increase, diminish or even change the extent and direction of certain human resource practices to organizational performance. Holders of such models researchers (Kerr & Jackofsky, 1989) consider that the strict practice of staff development is more contributively to organizational performance improvement.

#### **Configuration mode**

The configuration model builds on the two previous approaches and synthesizes them into a high order system in which researchers are interested in identifying the unique patterns of strategic HRM practices that are optimally effective.

The configuration perspective in SHRM is concerned with how patterns of multiple, planned HR deployments and activities achieve the organization's goals. An organization must develop an HR system that achieves both horizontal and vertical fit. Horizontal fit refers to the internal consistency of the organization's HR policies or practices, and vertical fit refers to the congruence of the HR system with other organizational characteristics, such as a firm's strategy. Some scholars have pointed out that the combination of the different human resource practices can be equally effective in improving organizational performance, and the different combinations is for different organizational strategies (Miles & Snow (1984); Arthur, 1992).

### **Practices content of SHRM practices in the Company**

A lot of empirical studies of human resource practices and organizational performance identified the five categories of practice has a clear positive effects on organizational performance improvement.

#### **Recruitment and selection**

Armstrong (2001) point out recruitment and selection technique are the strategy should explore methods not only of recruiting the number of people required but also of finding staff who have the necessary skills and experience, who are resourcing strategy likely to deliver the required sort of behavior and who will fit into the organization's culture readily. Southwest Airlines a key to success is its staff recruitment for whether the candidate has a sense of humor, so these are good at team work and other factors of particular concern.

### Training and development

Armstrong, (2001) describe training as the systematic modification of behavior through learning events, programs and instruction that enable individuals to achieve the levels of knowledge, skill and competence needed to carry out their work effectively.

SHRM researchers define human resource management practices such as training as the types of activities that affect behavior of individuals in their efforts to formulate and implement the strategic needs of the organization (Huselid et al., 1997; Becker et al., 1996; Deery et al., 1994; Guest, 1987; Iles et al., 1990; Meyer and Allen, 1997). Actually, the main body of the training, particularly aimed at enhancing organizational adaptability, innovation and capacity to absorb high-level dynamic capabilities. According to Redding and Catalanello (1989), several leading organizations, including Motorola, General Electric, and Hewlett-Packard, credit their business success to training.

### Working standard

Wood and Albanese (199) describe job design as something management consciously does in order to provide jobs that have a considerable level of intrinsic satisfaction. Strategic human resource practices think that position is unstable, job is changing with the dynamic environment. It emphasizes a wide range of job design. Actually more greater autonomy and ability for work effectiveness, will reduce rigid process working.

### Performance evaluation

Performance appraisal facilitates the assimilation stage by monitoring performance and providing feedback to support the attainment of strategic goals. (Werbel & DeMarie, 2005). Gratton et al. (1999) suggest that this is essential for SHRM. The performance appraisal process establishes a priority for desired behaviors. Assuming that employees wish to have positive performance evaluations, they are likely to adopt behaviors that are monitored for performance appraisals. Also, performance appraisal feedback is designed to reinforce desired behaviors and skills as well as offer constructive criticisms to guide future changes to promote the assimilation process.

### Staff participation

In strategic HRM field, Some scholars advocated that employee participation and communication are the critical role for all human resource management practices to enhance firm's performance (Wright & Snell, 1998). Empirical research indicates that successful employee involvement efforts can substantially impact organizational financial productivity (e.g. Huselid, 1995; Ostroff, 1995). Strategic human resource practices support employee involvement through job design, the licensing mechanism and the establishment of work teams and other measures.

### The problems of implementation of SHRM practices

Although the above five strategic human resource practices affect organizational Performance, but the following points.

### Dynamic match

First of all, strategic human resource management require to match with organizational strategy for more efficiency impact on organizational performance. Second, among the various human resource practices should be mutually complementary and support. Therefore, in order to consider raising the company, we must use different combinations and systematic practice of human resources.

## RESEARCH METHODOLOGY:

### Method of Study:

#### Geographical Area

Organized retail outlets are largely present in urban areas. Metropolitan cities in India have the have relatively much larger proportion of organized retail outlets as compared to the rest of India. Hence Bangalore was chosen for the present study as there are many organized apparel retail outlets in this metropolitan city.

**Sampling Population**

A sample of 80 respondents of various age groups, different professions and income levels has been included in the current study. Care has been taken to include respondents from all parts of Chennai, so that the sample is representative of the whole city. The respondents were administered the detailed questionnaire at their work places, homes and at malls having organized apparel retail outlets. Care was taken in choosing malls so that major geography of Chennai was covered.

**DATA ANALYSIS:****TABLE**

GENDER	NO. OF RESPONDENT	PERCENTAGE
MALE	48	60%
FEMALE	32	40%
TOTAL	80	100%

**INFERENCE:**

From the above table I it is identified that out of 80 respondents, 60% of them are male and 40% are female.

**(II) TABLE**

OCCUPATION	NO. OF RESPONDENT	PERCENTAGE
PROFESSION	30	37.5%
SERVICE	25	31.25%
BUSINESS	20	25%
HOME MAKER	5	6.25%
OTHERS	0	0%
TOTAL	80	100%

**INTERPRETATION:**

From the above table II the occupation of 80 respondents is identified as, 37.5% are in profession, 31.25% are in service, 25% are doing business, 6.25% are homemakers and 0% of others.

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# TRAINING PROCESS IN MAHINDRA RURAL HOME FIANANCE

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## ABSTRACT

Training is defined as a continuous learning process in which the employees will acquire knowledge, enhance professional skills and improve attitudes and behaviours to excel well on the job. The objectives of the training department to identify the required training needs of an organization and fill the gap with a host of training methods for the welfare of the organization and employees on a whole.

### CHARACTERISTICS OF TRAINING:

- Training is a process with clearly with clearly defined parameters.
- Training activities are a planned sequence of events, carefully orchestrated and blended into harmonious, integrated, and result-oriented package.
- It can also be seen as a process of empowerment of the participants, inviting them to make optimal use of the opportunities provided for learning in the training programme.
- Training induces behavioural changes in the areas of knowledge and competencies that are helpful in improving performance in work situations.
- Training is not about learning specific working methods and procedures to manage work-related or day-to-day problems or conditions, rather it is about acquiring competencies to cope with a variety of complex and difficult situations.
- Training is a journey of self-awareness and self-discovery, leading to growth and development.
- Training has intended as well as unintended results.
- Training develops in an individual the ability to translate acquired concepts, principles, knowledge, and skills into perceptible and functional behaviour or actions, and vice versa.

### NEED FOR TRAINING:

- A person who is taking up his job for the first time must become familiar with it.
- Training is not something needed for the newly recruited staff alone. Even the existing employees of a concern may require training.
- Training is essential for an employee who has just been promoted to a higher level job. With an elevation in his position in the organisation, his responsibilities are also going to multiply.
- Sometimes an employee may have to gain knowledge of several related jobs. It will not be enough if he is only good in the work he does presently.
- Training is also needed if the work method in an organisation is going to be changed completely.



**IMPORTANCE OF TRAINING:**

- Training helps to improve the level of productivity.
- It develops better quality of work.
- A systematic training programme helps to reduce the time and cost involved in learning.
- Training reduce the cost of supervision.
- Training reduces frequency of accidents.
- Training develops high moral among the employees.
- It provides personnel growth of employees.
- It improves the organisational climate of the organisation.

**PROCESS OF TRAINING:**

- **Identifying the training needs of the staff:** The training needs of different categories of employees in an organisation are not same. A new entrant must learn his job first. For this he requires training in a specific area of work. He must also become familiar with the company's policies, rules and regulations.
- **Establishment of training goal:** The management should have short-term and long-term training goals. By providing training to new entrant, the management is able to prepare him to do his work effectively. Providing training to an employee to update his skill make him even more efficient.
- **Selecting the right method of training:** The third stage in the training process is to select the most suitable method of training. There are on-the-job and off-the-job training methods. On-the-job training refers to training given to an employee in the place where he is employed. Off-the-job training refers to training is given to employees at a place away from the actual workplace.
- **Making an evaluation of training effectiveness:** Training is meaningful only if its effectiveness is measured. The performance of the employee, who has undergone training, is the most important indicator of training effectiveness. All that the manager would do is to compare the employee's performance before and after training.

**METHODS OF TRAINING:**

- The various methods of training may be grouped under two categories they are;
- A. On-the-job training:
- On-the-job training refers to training given to an employee in the place where he is employed. Following are the on-the-job training methods:
- **Induction training:** Induction training is also known as 'orientation training'. It is required for all the new employees. A person who has been inducted into an organisation must be informed of his duties. The nature of his work must be clearly explained to him.
- **Apprenticeship training:** This is a conventional or traditional method of training. In such method, the trainee, called 'apprentice', is placed under a qualified senior worker. The apprentice learns the work by observing and assisting his senior.
- **Refresher training:** The object of refresher training is to enable the workers to constantly update their job knowledge. The knowledge and skill of the workers in our business establishments tends to become outdated due to the advancement in science and technology.
- **Job rotation:** This kind of training enables an employee to become well-versed in different kinds of work, each of which is totally different. Clerks in banks are usually subjected to job rotation.

- **Vestibule training:** The term ‘vestibule’ refers to a training school established within the factory premises. The working conditions and facilities in such a training school are so created that the place of training almost resembles the actual workplace.

### B. Off-the-job training:

Off-the-job training methods refers to training is given to employees at a place away from the actual workplace. Following are the off-the-job training methods:

- **Lectures and conferences:** Lectures and conferences are the traditional and direct method of instruction. Every training start with lecture and conference. It’s a verbal presentation for a large audience.
- **Role playing:** It is a training method in which the participant trainees are to enact the rules given to them. In a role-playing section, a specific organisational problem may be explained to the trainee group and each participant may be asked to act in the manner he would if he were the decision-maker.
- **Case study:** In case study method, the trainees are given an organisational problem in written form. The problem may be something that has been experienced in some workplace or may even be an imaginary one. The participants may be asked to analyse the cause of the problem, suggest alternative solutions and also shows the best solution in prevailing conditions.
- **Management games:** Different groups of trainees participate in a management game. The trainer specifies a certain situation in which each group has to make decisions in the specific area assigned to it.
- **Brain storming:** In brain storming section the participants may express their views freely without having to bother about what others would think of their ideas.
- **Sensitivity training:** Such a method of training has been developed with the object of promoting good human relations among the trainees. The sensitivity training group is called the ‘T-group’. Sensitivity training helps an individual to understand group behaviour and to work with others as a team.

### OBJECTIVES OF STUDY

To identify the effectiveness of training program in the organisation.

To examine the impact of training on workers.

To study the effectiveness of overall Training method in the **Mahindra Rural Home Finance**.

### REVIEW OF LITRETURE

ANU SINGH LATHER AND HARSH SHARMA (2008) Another study on “Impact of training climate on effectiveness of training program implies that training in organization is getting increasing mind space of top managers. However, to assert its rightful place, it has to come out from the periphery of corporate wheel to the center of corporate functioning and contribute proactively towards the attainment of organizational objectives. This requires that training professionals should show commitment towards enhancing the value of training. The process of training delivery is mediated by pre and post-delivery training factors which have an influence in constructing favorable or unfavorable training climate. This paper addresses all the important issue of training climate and the role played by various stakeholders in developing this. The importance of developing favorable training climate and negative impact of unfavorable training climate has been explained with the help of case study method

“Training and development need analysis for ushering change: a study in Jindal Steel and Power Ltd” by MISHRA, PRITI SUMAN (2008) and subject of this research is a large, complex organization which is in transition from a traditional bureaucratic, hierarchy with a command and control management style to a more participative, people centered approach. An ‘organization development, action research’ - based approach to the development of a training needs analysis process was taken for the study so that in the first instance the changes desired in the organization could be modelled and secondly, to learn and understand more about what works and what does not in order to continuously develop and progress the change agenda. In a large, complex organization a balance must be struck between standardization and customization of the needs analysis process to allow for the different structures, subculture and levels of readiness in the organization. Whether you are a human

resource generalist or a specialist, you should be an adept at performing a training needs assessment.

“Capacity building as a tool for assessing training and development activity: an Indian case study” by R. KRISHNAVENI AND B. SRIPIRABAA (2008), in recognition of its increasing importance, many organizations make periodic assessments of their training and development activity. The objective of the present study was to extend the concept of capacity building to the assessment of training and development activity in an automobile component manufacturing organization, using a developed and validated instrument. The study subjects were 36 middle-level managers selected on a stratified basis. The research described here provides a new methodology for the evaluation of training and development activity. Perception-based, consensus-oriented assessment is proposed as a valuable tool for evaluating and improving training and development activity. Brainstorming sessions led to suggestions for enhancing capacity in identified lag areas. In addition, this assessment serves as a platform for subsequent evaluation of the effectiveness of training and development activity.

FERIKA OZER SARI (2009) observed that human resource is the key factor of organizational success. The organization power comes from the physical and mental strength of their workers. Therefore, sustainability of being powerful for an organization is tied to the physical and psychological health of its employees, and their knowledge and skills, as well. Since the importance of human resources on the organizational success has been realized, responsibility and authority of Human Resources Departments are broadened, especially in the accommodation sector. Organizing Employee Trainings and maintaining Occupational Safety and Health are among the main functions of Human Resources management departments. These two functions interact and they both serve the aim of protecting employee’s physical, psychological and social health. Within this paper “Effects of the Employees’ Training on the Occupational Safety and Health” has been studied by an applied analysis in order to view the approach and practices of accommodation sector. As a result, it’s been realized that employee trainings have a very positive effect on the occupational safety and health. Moreover it’s been understood that some of the potential training programs such as accident risks and occupational illnesses are inevitable

## **DATA ANALYSIS AND INTERPRETATION**

**TABLE NO: 1 TABLE SHOWING THE NEEDS FOR TRAINING**

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
ENHANCEMENT	14	28%
LEARNING	12	24%
SHARING INFORMATION	4	8%
ALL THE ABOVE	20	40%
TOTAL	50	100%

### **INTERPRETATION:**

Above table it is inferred that 28% of the respondents said that Enhancement, 24% of the respondents said that Learning 8% of the respondents said that Sharing Information and the remaining 40% of the respondents said that all the above is needed for training.

**TABLE NO: 2 TABLE SHOWING THE TRAINING METHODS FOLLOWED BY THE ORGANISATION**

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
OFF THE JOB TRAINING	27	54%
ON THE JOB TRAINING	10	20%
LECTURES	10	20%
AUDIO VISUALS	2	4%
ALL THE ABOVE	1	2%
TOTAL	50	100%

### **INTERPRETATION:**

Above table inferred different training methods followed by the organisation. 54% of the respondents said Off The Job Training, 20% of the respondents said On The Job Training, 20% of the respondents said Lectures, 4% of the respondents said Audio Visuals and remaining 2% of the respondents said all the above.

**TABLE NO: 3** TABLE SHOWING THE SATISFACTION LEVEL AFTER ATTENDING TRAINING PROGRAMME

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
STRONGLY AGREE	24	48%
AGREE	13	26%
NEUTRAL	7	14%
DISAGREE	4	8%
STRONGLY DISAGREE	3	6%
TOTAL	50	100%

#### INTERPRETATION:

Above table it is inferred that the satisfaction level after attending training programme. 48% of the respondents are Strongly Agree, 26% of the respondents are Agree, 14% of the respondents are Neutral, 8% of the respondents are Disagree and remaining 6% of the respondents are

Strongly Disagree.

**TABLE NO: 4** TABLE SHOWING SATISFACTION LEVEL OF EMPLOYEE RETENTION

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
HIGHLY SATISFIED	17	34%
SATISFIED	28	56%
NEUTRAL	3	6%
DISSATISFIED	1	2%
HIGHLY DISSATISFIED	1	2%
TOTAL	50	100%

#### INTERPRETATION:

Above table inferred that the satisfaction level of employee-retention. 56% of the respondents are Satisfied, 34% of the respondents are Highly Satisfied, 6% of the respondents are neutral, 2% of the respondents are Dissatisfied and remaining 2% of the respondents are Highly Dissatisfied.

**TABLE NO: 5** TABLE SHOWING EFFECTIVENESS OF TRAINING PROGRAMME

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
EXCELLENT	9	18%
VERY GOOD	10	20%
GOOD	15	30%
AVERAGE	12	24%
POOR	4	8%
TOTAL	50	100%

#### INTERPRETATION:

Above table it is inferred that effectiveness of training program. 30% of the respondent's rate Good, 24% of the respondent's rate Average, 20% of the respondent's rate Very Good, 18% of the respondent's rate Excellent and remaining 8% of the respondent's rate Poor.

**FINDINGS**

- From the table 1 it was found that 40% of the respondents said that training needs are learning, enhancement and sharing information's.
- From the table 2 it was found that 54% of the respondents said on the job training method is followed by the organisation.
- From the table 3 it was found that 48% of the respondents are strongly agree with the satisfaction level after attending the training programme.
- From the table 4 it was found that 56% of the respondents are satisfied with the employee-retention in the organisation.
- From the table 5 it was found that 30% of the respondents said that the effectiveness of training program is good.

**SUGGESTIONS**

- Regular intervals:
- Training can be a continuous process. Most of the employees are preferring training can be conducted once in a year.
- Duration of the training:
- Duration for training programme can be precise and accurate.

**CONCLUSIONS**

The researcher has made a study in effectiveness of training process of the Mahindra rural home finance with the help of questionnaire as the part of the study. In training they use latest technologies to train the employees. Employees are satisfied with the training and development programmes given to them. Most of the employees wants to the workplace to be redesigned where the training sessions are been conducted. The result obtained was analysed using percentage. The researcher's suggestions on the findings are also given.

# RESEARCH ON RECRUITMENT IN MAHINDRA RURAL HOME FIANANCE

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## ABSTRACT

Human resource management (HRM) is an operation in companies designed to maximize employee performance in order to meet the employer's strategic goals and objectives. More precisely, HRM focuses on management of people within companies, emphasizing on policies and systems. In short, HRM is the process of recruiting, selecting employees, providing proper orientation and induction, imparting proper orientation and induction, imparting proper training and developing skills.

## INTRODUCTION

Human resource management (HRM) is an operation in companies designed to maximize employee performance in order to meet the employer's strategic goals and objectives. More precisely, HRM focuses on management of people within companies, emphasizing on policies and systems. In short, HRM is the process of recruiting, selecting employees, providing proper orientation and induction, imparting proper orientation and induction, imparting proper training and developing skills. HRM also includes employee assessment like performance appraisal, facilitating proper compensation and benefits, encouragement, maintaining proper relations with labour and with trade unions, and taking care of employee's safety, welfare and health by complying with labour laws of state or country concerned.

## RECRUITMENT

### MEANING:

Recruitment is the process of finding and hiring the best qualified candidate (From within or outside of an organisation) in an effective manner. The recruitment process includes analysing the requirements of a job, screening and selecting the applicants, hiring the employees to the organisation. The employee recruitment process is one of the most critical aspects of running a successful business. Because every organisation's performance is largely dependent on the quality of its workers.

### FEATURES OF RECRUITMENT:

It is a managerial and continuous process or a series of activities rather than a single act or event.

2. It is a linking activity as it brings together those the jobs (employer) and those seeking jobs (prospective employees).

It is a positive function as it seeks to develop a pool of eligible persons from which most suitable ones can be selected.

It is a persuasive function as all organisations engage in recruiting activity.

It is a two way process. It takes a recruiter and recruitee. Just as the recruiter has a choice whom to recruit or not, similarly the prospective employee can choose for which organisation to apply for a job

It is a process of identifying sources of human force, attracting and motivating them to apply for the job in organisations.

As recruiting is the discovering of potential applicants for actual anticipated organisational vacancies, it fulfils the present and future manpower needs.

It is the first step of appointment is based on job description, job analysis and job specifications

Recruitment is a complex job because too many factors affect it and serve as constraints restricting the freedom of management in recruitment.

**FACTORS AFFECTING RECRUITMENT:**

- .Size of the organisations: Large firms require more number of employees while small firms require less number of employees. A big firm can spend more in notifying vacancies, advertising in different media to encourage many candidates to apply.
- Recruitment policy: A firm can recruit internally or externally. Internal recruitment among the employees of an organisation. External recruitment is recruitment from outside the organisation.
- Salary structure: Firms offering higher wages would be able to attract more number of candidates. Firms offering lower wages find it difficult to attract and retain talented candidates.
- Working conditions: A firm offering good working conditions would be able to attract more candidates.
- Image and reputation of the company: If a firm has good image and reputation, it can attract and retain employees.
- Image of the job: Jobs with higher salary, career growth, comfortable working conditions etc., and more candidates would interested to apply for such jobs.
- Competitors: Recruitment policies of competitors influence the recruitment policy of a firm.
- Environmental factors: Political, economic and legal factors influence recruitment and selection.
- Human resource planning: Effective human resource planning determines the gap in existing manpower.
- Cost of recruitment: The cost of recruitment influences the type of recruitment. Fir s would use that type of recruitment which results in lower costs.

**PROCESS OF RECRUITMENT:**

- Recruitment planning: It involves estimating the number of vacancies to be filled, preparing a job description, job specification mentioning the duties to be performed, qualifications and skills required, pay levels and nature of employment.
- Designing the recruitment strategy: The strategy should specify the number of candidates to be recruited, sources of recruitment, recruitment method to be used and the activities to be used and activities to be done.
- Evaluation of recruiting sources: After deciding the recruitment strategy, the next step is evaluation of recruitment sources. There are two major sources of recruitment. They are; (a) internal sources and (b) external sources.
- Implementation of strategy: The recruitment strategy should be implemented considering legal rules and regulations.
- Advertising the vacancy: Vacancies are advertised for both internal and external sources of recruitment.
- Evaluation: Recruitment is a continuous and important process. Firms spend considerable time and resources in recruitment. Therefore its effectiveness has to be evaluated and weakness eliminated.

**SOURCES RECRUITMENT:**

Recruitment sources are the medium of choosing candidates for the recruitment process. Basically, there are two main sources of recruitment, which are follows;

1. Internal sources

2. External sources

- **INTERNAL SOURCES:** Internal sources of recruitment means seeking applicants for the job positions from those who are currently employed within the firm following are the methods:
- Transfer: Transfer means shifting an employee from one job to another, without any change in his rank and responsibility.
- Promotion: Promotions are the most common form of internal recruitment wherein the employees are moved to the upper levels of the organisations with more responsibility and prestige.
- Employee referrals: the present employees can refer their friends and family to the job. They are well aware of the organisational culture, working conditions and job requirements. ➤ Former employees: former employees are rapidly becoming a viable recruitment source as employers increasingly contact former employees, striving to convert former employees into new hires.



2. EXTERNAL SOURCES: External sources of recruitment mean hiring people from outside the organisation following are the methods;

- Campus recruitment: It is a method of recruiting by visiting and participating in college campuses and their placement centres. It also helps in saving time and efforts of the companies.
- Advertisement: Advertisement is the most common and preferred source of external recruiting. This helps an individual to self-evaluate himself against the job requirements and apply for the jobs which suits them.
- Employment exchange: The employment exchange is the office run by the government wherein the details about the jobseekers is stored and is given to the employers who are searching for their organisations.
- Direct recruitment: The direct recruitment also called as factory gate recruitment is an important source of hiring, especially the unskilled workers who are paid on a daily-wage basis.
- E-recruiting: The e-recruiting means searching and screening the prospective candidates electronically. There are several online job portals that enable the job seekers to upload their resume online which are then forwarded to the potential hires.

## OBJECTIVES OF STUDY

- To identify the effectiveness of recruiting sources and evaluation techniques.
- To identify the area of improvement to make recruitment and selection procedures more effective.

## REVIEW OF LITRETURE

1. SINGH S.K (2008) In his research entitled Interventions and challenges examined that survival of the organizations in dynamic and complex environment require 60 employee involvement, productivity and this can be achieved with the help of quality targets, quality circles, training and development & suitable method of performance appraisal etc. Above these HRD interventions/practices should be implemented in a suitable way and HRD Climate should be conducive so that cooperation of employees can be achieved and conflicts can be sorted out which in turn increase the effectiveness of the organization.

2. SINGH S.K (2008) - in his research entitled HRD Climate: Interventions and challenges examined that survival of the organizations in dynamic and complex environment require 60 employee involvement, productivity and this can be achieved with the help of quality targets, quality circles, training and development & suitable method of performance appraisal etc. Above these HRD interventions/practices should be implemented in a suitable way and HRD Climate should be conducive so that cooperation of employees can be achieved and conflicts can be sorted out which in turn increase the effectiveness of the organization .

3. SARMA (2008) employee referrals is one of the oldest sources of recruitment and it could save up to 70% of the costs to the company than other sources could do. Present employees are well aware of the skills, qualifications, behavior and experience of their friends or acquaintances as well as of the job requirements; and thus make a match between the vacancy and a candidate. Therefore, Sources of recruitment Internal Sources - Present Employees - Retired/Former Employees - Previous Applicants - Employee Referrals - Advertisement - Campus Recruitment - Recruiting Firms - Job Portals/Organizational Websites - Job Fairs/Exhibitions - Headhunting - Other Sources External Sources 8 most of the time applicants through employee referrals have a positive feel to an organization and are aware of the organizational culture; and would likely be a great asset for the company.

4. SHOKUNDU. SUBHASH C., DIVYA MALHAN (2009) "HRM Practices in Insurance Companies: A Study of Indian and Multinational Companies" opined that Competitive advantage of a company can be generated from human resources (HR) and company performance is influenced by a set of effective HRM practices. The results of this study shows d that both multinational companies and Indian companies have to significantly improve their practices regarding performance appraisal, training and financial benefits, and HR planning and recruitment. Service sector is human resource intensive business. To gain competitive advantage, service organizations should emphasize on human resource management practices, as has been shows d in the results. A well-defined framework of human resource management practices benefits not only the organization but also the employee. HR policies of an organization benefit the employee by providing better opportunities for growth in

terms of better compensation, benefits, training and development opportunities, and career management, in turn leading to job satisfaction a self-fulfillment should be implemented.

5. According to RAO (2009) Human Resource Management (HRM) “is managing (planning, organizing, directing and controlling) the functions of employing, developing, compensating and utilizing human resources.” As a result, the human and industrial relations are created and developed; and with further practices are ready to contribute to the organizational, individual and social goals. Sarma (2008, 15) defines Human Resource Management (HRM) as: “an approach to the management of people, based on four fundamental principles”. First, managers should take into consideration that human resources are the main asset a company has. Second, the personnel’s attitude and procedures should be closely connected with the accomplishment of the corporate objectives and goals. Third, the organizational climate, company values and atmosphere at the work place have a major influence on the success of the corporation. Finally, it is very important that employees work together with a sense of common purpose and feel the integration.

#### **DATA ANALYSIS AND INTERPRETATION**

**TABLE: 1 TABLE SHOWING DESIGNATION OF THE RESPONDENTS**

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
PROFESSIONAL JOURNALS	22	44%
NEWSPAPER SOURCES	21	42%
COLLEGE RECRUITMENT	5	10%
EMPLOYEE REFERRAL	2	4%
TOTAL	50	100%

#### **INTERPRETATION:**

From the above table it is inferred that 44% of respondents recruited in the organisation through Professional Journals, 42% of the respondents recruited in the organisation through Newspaper Sources, 10% of the respondents recruited through College Recruitment and remaining 4% of the respondents recruited through Employee Referral.

**TABLE: 2 TABLE SHOWING THE NUMBER OF ROUNDS FACED DURING RECRUITMENT PROCESS**

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1 ROUNDS	8	16%
2 ROUNDS	30	20%
3 ROUNDS	10	60%
4 ROUNDS	2	4%
TOTAL	50	100%

#### **INTERPRETATION:**

Above table inferred the number of rounds faced during recruitment process. 60% of the respondents attended 3 Rounds, 20% of the respondents attended 2 Rounds, 16% of the respondents attended 1 Rounds and remaining 4% of the respondents attended 4 Rounds.

**TABLE: 3 TABLE SHOWING THE TYPE OF INTERVIEW ATTENDED DURING RECRUITMENT PROCESS**

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
FACE TO FACE	43	86%
TELEPHONIC	4	8%
VIDEO CONFERENCING	1	2%
PANEL INTERVIEW	1	2%
OTHERS	1	2%
TOTAL	50	100%

**INTERPRETATION:**

Above table shows the types of interview attended by the respondents. At the time interview

86% of the respondents attended Face To Face, 8% of the respondents attended Telephonic, 2% of the respondents attended Video Conferencing, 2% of the respondents attended Panel Interview and remaining 2% of the respondents attended others.

**TABLE: 4 TABLE SHOWING THE KINDS OF TEST ATTENDED DURING RECRUITMENTPROCESS**

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
PERSONALITY TEST	26	52%
PSYCHOMETRIC TEST	11	22%
JUDGEMENT TEST	7	14%
ABILITY TEST	4	8%
NOT ATTENDED	2	4%
TOTAL	50	100%

**INTERPRETATION:**

Above table shows the kinds of test the respondents attended during recruitment process. 52% of the respondents attended Personality Test, 22% of the respondents attended Psychometric Test, 14% of the respondents attended Judgement Test, 8% of the respondents attended Ability Test and remaining 4% of the respondents attended Not Attended.

**TABLE: 5 TABLE SHOWING THE SATISFACTION LEVEL OF ORGANISING THE RECRUITMENT PROCESS**

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
VERY GOOD	18	36%
GOOD	26	52%
NEUTRAL	1	2%
POOR	4	8%
VERY POOR	1	2%
TOTAL	50	100%

**INTERPRETATION:**

Above table inferred that 52% of the respondents said Good, 36% of the respondents said Very Good, 8% of the respondents said Poor and remaining 2% of the respondents said Neutral and remaining 2% of the respondents said Very Poor about the satisfaction level of organising the recruitment process by the organisation.

**FINDINGS**

- From the table 1 it was found that 44% of the respondents recruited through professional journals
- From the table 2 it was found that 60% of the respondents attended 3 rounds of interview during recruitment process.
- From the table 3 it was found that 86% of the respondents attended face to face round during interview.
- From the table 4 it was found that 52% of the respondents attended personality test during recruitment process.
- From the table 5 it was found that 52% of the respondents said that satisfaction level of organising the recruitment process is good.

**SUGGESTIONS****Internet sites for the recruitment process:**

The organisation improve the utilization of the internet sites for recruiting talented candidates. E-recruitment process can help the organisation to improve the process of recruitment.

**New methods in screening process:**

Adopting new methods in screening will improve the efficiency of recruitment process in the organisation. Complementing the interview with other selection techniques such as skill tests, work sample test, presentations and team observations will also increase the likelihood of identifying the best person for the position. \

**CONCLUSIONS**

The researcher has made a study in effectiveness of recruitment process of the Mahindra rural home finance with the help of questionnaire as the part of the study. In this organisation the sources of recruitment is effective, the internal selection of the organisation also in an economical means which also reduce costs, only after looking the efficiency of the existing employee towards the company and his sincerity that employee will be selected. They are well aware about the various sources and methods of recruitment and selection. The result obtained was analysed using percentages. The researcher's suggestions on the findings are also given.

# A STUDY OF THE RECRUITMENT AND SELECTION PROCESS: SMC GLOBAL

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## ABSTRACT

Recruitment is the process of searching employees to apply a job in an organization, the research paper is entitled for a recruitment and selecting process. The main objective in an organization is to choose from the applicants, whom they feel for the job requirement practices affect organizational outcomes at SMC Global Securities Ltd. The source of data was both primary and secondary. Data analysis has been done with the help of SPSS software. Selecting the wrong candidate or rejecting the right candidate could turn out to be costly mistakes for the organization.

**Keywords:** Recruitment, Selection, Reference, Interview, Hiring, Performance.

## INTRODUCTION

In this study helps the organization to identify human resource needs in the organization in the area of problem and suggest way to improve the recruitment and selection process. Recruitment and Selection is a designed to maximize employee strength in order to meet the employer's strategic goals and objectives. In short, Recruitment and Selection is the process of sourcing, screening, shortlisting and selecting the right candidates for the filling the required vacant positions. This study focus on understanding recruitment and selection process this study helps to manage a manpower budget for the recruitment and selection process, this study helps to evaluate the time for the recruitment process. The study stratified sampling technique is used. The sample size for the study is 100. The tools that are used in this study, One way ANOVA, Chi Square, and Correlation.

## NEEDS FOR THE STUDY

- Determine the present and future requirement of the organization personnel-planning and job analysis activities.
- Understanding the recruitment and selection process in organization.
- Analysis of manpower budget analysis of the for the recruitment in the recruitment process

## OBJECTIVE

- To attract and engage people it needs to achieve its overall organizational objectives
- Increase the pool of job candidates at minimum cost.
- Recruit right people who will fit in to organizations culture and contribute to the organizational goals.

## REVIEW OF LITERATURE

### According to Edwin B Flippo

Recruitment is nothing but the process of searching the candidates for employment and then stimulating them for jobs in the organization. It is the activity that links the employees and the job seekers. It is also defined as the process of finding and attracting

capable applicants for employment. It is the pool of applicants from which the new employees are selected. It can also be defined as a process to discover sources of manpower to meet the requirement of the staffing schedule and to employ effective measures for attracting the manpower in adequate numbers in order to facilitate the effective selection of an efficient working force.

**According to David A De Cenzo**

The recruitment needs are of three types which are as follow:

- (a) First one is Planned Needs: These are the needs that arise from the changes in the organization and retirement policy creating vacancy for new jobs.
- (b).Second one is Anticipated Needs: These are those movements in personal which an organization can predict by studying trends both in external as well as internal environment.
- (c) Last one is Unexpected Needs:

These needs arise due to various reasons like deaths, resignations, accidents, illness, relocation etc.

**Taylor, P. (1998). Seven staff selection myths**

This article outlines seven commonly held misconceptions about recruitment And selection practices. Areas discussed include the validity of various Recruitment and selection measures (e.g., interviewing, reference checks), the Conditions necessary to maximize the effectiveness of these practices, and Common mistaken perceptions of the interview process. This article is Useful for readers interested in workforce development theory and research.

**RESEARCH METHODOLOGIES**

Research means a search for the knowledge .Research methodology is a systematically to solve the problem in the research. A Research design is a plan for a study of a data collection and analysis in a research. It's used in beginning stages of the research and it's a wider scope of practices. The strategy which is used in the research towards the achievement and objectives. The effectiveness of any research work depends upon the correction and effective of the research methodology. There are two types of data, they are primary data and secondary data. The methods of collecting primary and secondary data. In primary data are to be originally collected, in the secondary data, the nature of data collection work is merely that of compilation. A questionnaire is prepared and sent to a person and request them to fill the questionnaire, the respondent has to answer questionnaire in their own. The sample size for the study is 100.

**SAMPLING TECHNIQUE**

Sampling is a form of convenience sampling in which the population are selected based on the performances of the researcher.

**Target population and Sample size**

- The target population was the employees of the HR department of SMC Global Securities Ltd.
- The employees targeted were of all age group.
- A sample size of 30 employees of SMC has been taken.

Hypothesis:

- $H_0$  - there is no relationship between gender and through what source are you recruited.
- $H_1$  - there is relationship between gender and through what source are you recruited

**DATA ANALYSIS AND INTERPRETATION**

**TABLE SHOWING THE PERCENTAGE OF AGE GROUP**

PARTICULARS	NO OF RESPONDENCE	PERCENTAGE
15 - 20 years	10	20
21 - 25 years	17	30
26 - 30 years	10	24
above 31 years	13	26
Total	60	100

Inference:

From the table it is found that 26% belongs to 15-20years, 30% belongs to 21-25 years, 24% belongs to 26-30 years and 20% belongs to above 31 years of age respondents.

**TABLE SHOWING THE PERCENTAGE OF GENDER**

Particulars	No of respondents	percentage
Male	33	66
Female	17	34
Total	50	100

**CHART SHOWING THE PERCENTAGE OF GENDER**

Inference:

From the table it is observed that 66% belongs of male and 34% belongs to female respondent.

**TABLE SHOWING THE PERCENTAGE OF EXPERIENCE**

PARTICULARS	NO OF RESPONDENCE	PERCENTAGE
0-5years	5	10
5-10years	15	30
10-15years	20	40
Above 15 years	10	20
Total	50	100

**CHART SHOWING THE PERCENTAGE OF EXPERIENCE**

Inference:

From the table it indicates that 10% belongs to 0-5 years, 30% belongs to 5-10 years, 40% belongs to 10-15 years and 20% belongs to above 15 years of experience respondents.

**TABLE SHOWING AVERAGE TIME SPENT BY HR DEPARTMENT CANDIDATE DURING RECRUITMENT**

PARTICULARS	NO OF RESPONDENCE	PERCENTAGE
10 minutes	7	14
10 to 20 min	16	32
20 to 30 min	17	34
More than 30min	10	20
Total	50	100

**TABLE SHOWING AVERAGE TIME SPENT BY HR DEPARTMENT CANDIDATE DURING RECRUITMENT**

Inference:

From the table is observe that 14% belongs 10 minutes, 32% belongs to 10 to 20 minutes, 34% belongs to 20 to 30 minutes and 20% belongs to more than 30 minutes of respondents.



## **LIMITATIONS OF THE STUDY**

- An employee has fear to reveal the negative aspect.
- The information collected is based on the perception of the respondent.
- The data needs to be updated at times when it comes to have further usage of this research study report

## **FINDING OF THE STUDY**

- From the table it is found that 10% belongs to 15-20years, 34% belongs to 21-25 years, 36% belongs to 26-30 years and 20% belongs to above 31 years of age respondents.
- From the table it is observed that 66% belongs of male and 34% belongs to female respondents.
- From the table it indicates that 10% belongs to 0-5 years, 30% belongs to 5-10 years, 40% belongs to 10-15 years and 20% belongs to above 15 years of experience respondents. .
- From the table is observe that 14% belongs 10 minutes, 32% belongs to 10 to 20 minutes, 34% belongs to 20 to 30 minutes and 20% belongs to more than 30 minutes of respondents.

## **SUGGESTIONS**

- The various factors considered for the recruitment and selection process and the satisfaction level of the employee towards the Recruiting.
- Selection process is good and it should be modified to the requirements of the job profile so that main objective of selecting the candidate could be achieved.

## **CONCLUSION:**

The main thing that I want to conclude firstly is that with the help of analysis, feedback generated through questionnaire I found that the company is following an effective Recruitment and Selection process to maximum extent.

As per my study, out of the various methods of sourcing candidates, the best one is – getting references via references and networking. In the process, I came across various experiences where the role of an HR and the relevant traits he finds in the candidates were displayed. The structure of the financial sector (as well as that of SMC Ltd) was known along with the analysis that recruitment is an ongoing process in this industry and therefore new innovative methods have to be thought of and applied to meet the demand. Company should focus on long term consistent performance rather than short term. The emphasis towards training and enhancing skills of recruiters needs to be more and also consistent. Even though an HR manager has many challenges to face in order to ensure that the human resource department contributes to the bottom-line and emerges as a strategic partner in the business, it is “Talent acquisition”, that is the key determining factor in how well an Human resource department contributes towards the achievement of the overall objective of the organization and therefore is a daunting task for any HR manager

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# PROMOTING STRATEGIC HUMAN RESOURCES MANAGEMENT AND KNOWLEDGE MANAGEMENT IN MODERN ORGANIZATION

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## ABSTRACT

This study is based on the promotion of strategic human resources management and knowledge management in modern organization. The study states that adopting the Strategic human resources management will improve the relationship between the human resources and strategy in a modern organization. Strategic human resources management is the practice of developing, rewarding, attracting and retaining employees. Strategic human resources management increases the utilization of resources of the organization and knowledge management is a plan that describes how an organization will manage its information, data and knowledge better for the benefit of the organization and its stakeholders. This study is based on the secondary data's. knowledge management develops an organization's knowledge sourcing, knowledge abstracting, knowledge conversion and knowledge diffusion.

The result from the study shows that certain practices of strategic human resources management and knowledge management can improve the capability of the firm. The study also talks about the importance of training and development required for an employee.

**Keyword:** Strategic human resource management Knowledge management Human resource management Organization

## INTRODUCTION

Strategic human resources management (SHRM) is the relation between the human resources and the strategy of the organization. Strategic human resources management is a wide concept. SHRM talks about E-communication, job analysis, training and development, performance management, job design and reduction, reward management, etc., strategic human resources management helps the organization to be more flexible, innovative and competitive in the market. SHRM also improves the organizational culture. Adopting SHRM helps in e-communication, job analysis, training and development, performance management, job design and redesign, reward management. Strategic human resources management can bring immense changes in the human resources and strategy of the organization and including knowledge management.

Knowledge management (KM) refers to the process of defining, retaining, and sharing knowledge in the organization. The main aim of a Knowledge management is to improve the efficiency of the organization and save knowledge within the company.

The main objective of the study is to know the impact of adopting Strategic Human Resources Management and Knowledge Management in the modern organization. Secondly how it can be effectively implemented on employees

Knowledge management strategy is a plan of action that outlines how your organization will manage company information, data, and knowledge to improve the organizations productive and efficiency. A proper strategic management leads to attain a necessary to achieve a sustainable competitive advantage. And Human Resources Management is strongest when HRM decisions are linked to organizational strategy. Strategic Human Resources Management practices are developed, implemented and executed based on the linkage of organizational strategy. SHRM predicts electronic human resource management outcomes and relationship appears context- department in modern organization.

**LIMITATION**

- Time constrain
- Limited access to data
- Insufficient sample size

**FINDINGS**

- Adopting of SHRM and KM improves the efficiency of the employees
- It helps to achieve the organizational goals
- Reduce conflict between employees
- Increase proper management in the organization
- It helps to invest in long-term strategy

**CONCLUSION**

The study shows the use of adopting strategic human resource management and knowledge management in modern organization. The findings stated that knowledge management build a gap between organization goal and role of the knowledge in achieving the goal. It helps the modern organization to build innovation and creativity rather than duplication of work. Adopting of knowledge management brings upgrade in the knowledge.

Strategic Human Resources Management and Knowledge Management helps to employees to prepare for the long term need of organization and society.

Advantages of adopting knowledge management are it provides incentives, keeps a space for sharing to happen, re-examine the training and on boarding method, it helps to invest in long-term strategy, build knowledge library.

The study concludes the by stating that adopting strategic human resources management and knowledge management helps the organization in improving it efficiency in employees, improves the culture of the organization, there will be a better value followed, it helps to achieve the organizational objectives in a better way.

SHRM AND KM is wider concept and it helps the do more for the future researches to analyses more on the gap between the concepts.

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# INDIVIDUAL INVESTMENT DECISIONS IN THE CONTEMPORARY ERA AN ANALYTICAL STUDY USING SURVEY METHOD

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## ABSTRACT

Indian investor today have to endure a sluggish economy, the steep market declines prompted by deteriorating revenues, alarming reports of scandals ranging from illegal corporate accounting practices like that of Satyam to insider trading to make investment decisions. Stock market's performance is not simply the result of intelligible characteristics but also due to the emotions that are still baffling to the analysts. Despite loads of information bombarding from all directions, it is not the cold calculations of financial wizards, or company's performance or widely accepted criterion of stock performance but the investor's irrational emotions like overconfidence, fear, risk aversion, etc., seem to decisively drive and dictate the fortunes of the market.

### Dimensions of Investor Behaviour

The most fundamental change in investor behaviour in recent times is increased investor activism. However, there is a problem in defining investor activism. Merely taking the time to understand what's going on in the company and vote is a form of activism, as is any kind of proactive approach to company mismanagement. But much of the action is done behind closed doors. We define investor activism as the use of power by an investor either to influence the management processes of a given portfolio company or to evoke large-scale change in management processes across multiple companies through the symbolic targeting of one or more portfolio companies. All such actions can be described as the engagement process. Through these engagement processes, activist investors attempt to affect the strategic direction and performance of portfolio companies.

### What has Behavioral Finance got to do with Investing?

Just reflecting on our own investment decisions and the mistakes made in the past would highlight the essence of behavioral finance. Most common of these mistakes involve selling winners too soon and holding onto losers, buying expensive stocks, getting anxious on seeing our investments quote at a discount to our purchase price translating into quotation losses, buying when others are buying and selling because others are selling. These examples of investor behavior are not to be taken lightly. Just as any game involves overcoming the opponents; the game of investing involves dealing successfully with one's own emotional indiscipline to come out victorious. It is not that the great investors do not suffer from these behavioral anomalies; it is just that they understand the importance of emotions while investing and train themselves out of acting emotionally. As the legendary investor, Warren Buffet has observed, "It is only when you combine sound intellect with emotionally discipline that you get rational behavior". An understanding of how our emotions result in irrational behavior is indispensable for any investor.

### Investment Management of Individual

Investment management is the art of selecting investments – such as stocks, bonds, and derivatives – and combining them in a way that compliments a client's specific risk-to-reward requirements. It is often called "money management" or "asset management". In other words, a wealth manager looks after the financial well-being of his client, but his efforts are not restricted only to achieving that goal. These inter alia include the following:

Current Lifestyle needs: The income a client requires for meeting their living expenses, the needs of their children, and short-term or long-term financial/personal goals.

**Income tax considerations:** Tax planning has always been at the core of the wealth management

proposition. The timing of stock or bonds purchase and sales may have an impact on the total tax liability.

**Inheritance goals:** To whom the client wants to entrust his/her money and how much control to confer upon probable successors(s).

**Humanitarian pursuits:** The charitable clients would like to support as well as when and how they wish to donate their money or assets (a decision that determines any tax advantages to the client).

### **Constraints in Individual Investment Process**

a) Time Horizon : Time horizon may be the most important factor of all since the time frame for accomplishing an objective tends to dramatically change the risk profile of investments. The expected range of performance substantially narrows as the holding period is extended. Thus, a crucial goal with a short-time horizon such as funding a child's college education may require a relatively low-risk portfolio which may be very different from the one designed to fund a crucial longer term goal such as a comfortable retirement.

b) Liquidity : Liquidity is an attribute of an investment that measures the ability of an investor to really convert that investment to cash, independent of any changes in the economy without significant financial loss. Wealth managers should evaluate the degree of short-term liquidity that clients actually require. Some clients may not need any special liquidity during the holding period, whereas others may require a large degree of liquidity perhaps after a certain point of time, e.g., retirement.

c) Marketability :Marketability is an attribute that measures an investor's ability to readily convert an investment to cash. Note that marketability does not come with the qualification, "without risk of principal loss". Marketable investments would include high-quality stocks, bonds, and open-end mutual funds. They may be readily converted to cash, but with no assurance of returning the client's investment.

d) Risk : It is not sensible to talk about investment returns without talking about risk because investment decisions involve a trade – off between the two. In other words, return and risk are opposite sides of the same coin. There are different types, and therefore different definitions of risk. In simple words, risk may be defined as the deviation from expectations. Or, this implies that the actual outcome of an event is different from the expected outcome. In financial terms, we may define risk as the chance that the actual return on the investment will be different from its expected return. Investors would like their returns to be as large as possible; however this objective is subject to constraints, primarily risk. The investment decision, therefore, must always be considered in terms of both risk and return. These two are inseparable.

### **Investment Avenues for Individuals:**

One can diversify his/her portfolio by investing in different asset classes rather than one particular asset class. A wide range of investment alternatives are available to investors. They fall into two broad categories, viz. financial assets and real assets. Financial assets are electronic (or paper) claims on some issuer like governments or corporate bodies. Some of the important financial assets include equities, fixed income securities or bonds (corporate bonds and government securities). Real assets are represented by tangible assets such as residential property, agricultural farms, precious objects, art pieces etc.,

### **Statement of The Problem**

Investment behaviour is a complex subject in nature. The Investment decisions are linked with many factors like socio economic profile, investment objectives, investment climate, herd behaviour, rationality of the investors, market conditions, investment climate, interest rates, risk bearing capacity, motivating factors of investment, tax savings and its impact on tax burden, rate of return in the form of capital gains, investment advice etc. In addition income earning patterns and savings habits of the individuals and the interest towards a particular investment avenue and the natures of change in the investment behaviour also play a key role. In this parlance, what factors influences the investment behaviour of in the rural areas where the marginal income is very low and the savings potential is also low. But he interest towards investments is high.

In this view, it is necessary to have a detailed study on the profile of the investors, investment preferences, investment avenues availability and accessibility, risk bearing capacity, level of awareness on investment avenues, factors considered in investment decision making etc and other related dimensions of investments and investment climate, motivating factors can give a broad idea to understand the market and to take necessary steps to improve investments potential in the sample area. With this idea the researcher selected the above said problem to conduct a research.

## 2.2: NEED FOR THE STUDY

Economic development of the country depends on its savings potential and investment capacity. Savings potential and savings patterns depend on the individual spending patterns and attitude towards investments. Investment behavior and attitude of the investors depends on awareness, availability and accessibility of the investment avenues. These things can help many converting many individuals to an investors and there by savings and investments in the potential businesses. This can help in providing the initial investment to the entrepreneurs. Entrepreneurship improves the economic empowerment, social status at micro level. At macro level it helps an individual to link himself with the rest of the world and get the benefit of social justice, upgraded knowledge and technology for better living. The growth and development of entrepreneurship depends on the investment climate prevailing in the country. Investment environment and climate is associated with the investment behavior of the investors in an economy. Investor's behaviour depends on many factors associated with Investment Avenue, investment climate, investment motives, individual perceptions towards investment avenues, investor's perception towards organized sector investments and business promotion, investment nature and associated returns etc. Hence, it is necessary to have a detailed study on the investment behavior of investors and to take the necessary steps to improve the same from time to time can help in smooth flow of funds for entrepreneurial activities and there by sustainable growth and development of an economy at large. At micro level it will pave a route map for employment opportunities; these employment opportunities can improve the income level, savings and investments of the individuals in the sample area. This can help in achieving the social justice and sustainable development of an economy in a balanced way. In this parlance, the researcher found a gap in investment behavior and investment potential of the sample area is an ideal and opt subject to take up for conducting research.

## OBJECTIVES OF THE STUDY

The present study was undertaken with the following objectives.

- To find out the influence of various demographical variables on investment behavior of investors in Chennai city.
- To study the relationship between the demographical variables and level of awareness on investment avenues in the sample area.
- To assess the factors influencing individual investment behavior of the investors in the sample area.
- To explore the relationship between the investment climate, motivating factors and investment behavior among the investors in the sample area.
- To provide suggestions to improve the investment environment, individual investment behavior among the investors in the sample area.

## HYPOTHESES USED FOR THE STUDY

The following Null Hypotheses (Ho) have been formulated and tested to find out the relationship between the demographics, dimensions of investment behavior among the individual investors in the sample area.

Ho: There is no significant difference between demographical variables of individual investors with regard to the perceptions on the awareness on investment avenues, individual investor behavior, investment climate, motivational factors to investments and suggestions to improve the investment climate in the sample area.

## SAMPLING DESIGN

The study is mainly based on primary data which was collected from the 394 investors selected from in through convenient sampling technique. The sample respondents were selected from Chennai city. In order to improve the validity of the questionnaire the equal sample representation is taken from the sample area covering all the directions of the city. On the other side, it is also considered that the sample representing the all the potential investment age groups, income levels, occupations, and risk tolerance levels of the investors. The sample size is fixed by considering the appropriate population size, investment potential of the respondents. The sample respondents are having at least one investment at the time of responding the questionnaire. This is taken into consideration to test the level of awareness on investment avenues and to weigh the degree of awareness on modern investment avenues. Conventional investments are common in nature, but the changing times made the investor's preference towards modern investment avenues due to flexibility, lesser tenure of maturity and attractive growth rate of returns. The sample area profile is presented below for the better understanding of the geographical and demographical nature of the Chennai city. This can help in drawing the logical understanding of the investor's level of



awareness, investment behavior, factors influencing investment behavior, motivating factors for investments, investment climate and investment environment improvement in the sample area.

### **SAMPLE PERIOD**

The survey was conducted during the period starts from July 2019 and ends on Dec 2019. The observations made on the investment climate and environment for a span of four years i.e., 2016 to first quarter of 2020. It has helped the researcher to understand the investment environment and to draw appropriate findings and suggestions. The researcher feels that, investment industry is one among the dynamic sectors in terms of growth and upgrading of investment climate, investment avenues and investment motives, investment behavior from time to time in the sample area and in the context of financial sector reforms progress in the state of Tamilnadu.

### **STRUCTURE OF THE QUESTIONNAIRE**

The Primary data required for the research were collected by conducting a survey among the sample. For conducting a survey, a structured questionnaire was prepared. The questionnaire consists of four parts. Part A deals with profile of the investors on various demographical attributes and investment related variables. Part B deals with measuring the level of awareness on various investment avenues among the sample respondents using five point Likerts scale. Part C deals with measuring the factors affecting investment behavior of the investors in the sample area using five point Likerts scale. Part D deals with level of agreement on the investment climate and environment prevailing in the sample area using Likerts scale. Part E deals with level of agreement on the motivational factors prevailing in the sample area for investments using Likerts scale. Part F deals with level of approval on the suggestions to improve the investment environment in the sample area using Likerts scale.

The questionnaire is ends with an open ended question asking the any other information likes to give by the respondent.

### **PILOT STUDY AND RELIABILITY TEST**

Initially a pilot study was conducted with 100 investors (50 from urban and 50 from semi-urban and rural area). The relevance of some questions was slightly modified for final version of questionnaire. The reliability coefficient of the questionnaire is computed using Corn Bach's Alpha and the value is 0.87, which shows that the instrument is reliable.

### **TOOLS AND TECHNIQUES USED FOR ANALYSIS**

The analysis part of the present thesis was made by using the various parametric and non-parametric statistical tests namely, Percentage Analysis, Chi-square Test, ANOVA, t-Test, Factor Analysis, and Multiple Regression Analysis.

### **FRAMEWORK OF ANALYSIS**

The analysis of the present study is made in two parts. Part-I deals with the analyzing the profile of the investors in demographic dimension using descriptive statistics and Part II deals with the studying the relationship between the investor's demographics and the selected variables influencing investment behavior, namely, awareness on investment avenues, factors influencing investor behavior, investment climate and environment, motivational factors to investments etc.

Percentage Analysis is used for the identification of the demographic profile of the investors in the sample area. It helps in identifying the basic characteristics of investor and income and savings patterns and investment background to the study.

T-test is applied in the appropriate places for better under standing of the statistical results and to make the suitable interpretations. The various dimensions in which t-test is administered to test the significant difference between male and female investors, marital status with regard to the dimension of awareness on investment avenues, investor behavior, investment climate, motivational factors to investments and suggestions to improve the investment climate in the sample area.

ANOVA- is applied to find out the relationship between the various multiple attributes between the demographics and investment behavior related variables. The dimension in which ANOVA is administered includes testing the significant relationship between the age groups, educational qualification, occupation, level of income of the respondents with regard to the perceptions on the awareness on investment avenues, investor behavior, investment climate, motivational factors to investments and suggestions to improve the investment climate in the sample area.

Friedman test is administered to find out the significant difference between the mean ranks between the levels of awareness on the investment avenues among the sample respondents, significant difference between the mean ranks of factors influencing investment behavior of the investors in the sample area, and significant difference between the mean ranks of motivating factors influencing the investment behaviour of the investors in the sample area.



Chi-square Analysis is used to test the association between investment objectives and level of awareness on investment avenues, investment objectives and investment behavior, investment objectives and investment climate prevailing, investment objectives and motivational factors for investment prevailing in the sample area.

Principal Component Analysis with Varimax rotation is used to group the various factors influencing investment behavior in the sample area. In this part of the analysis, the scholar is trying to group the items into factors. Factors determining investment behaviour of the investors in the sample area. The sample adequacy for the factor analysis is found by using Kaiser Mayer Olkin sample adequacy test and the result is found adequate at 0.869 i.e. (86.9%). Each of the items is measured with Lickert's scale on the level of agreement and grouped by using the Principal component analysis. Each factor explains a different dimension of an investor, which influences the investment behaviour in the sample area. The factors are Operational factors, safety factors, risk factors, trust factors and contingency factors.

Finally multiple regression analysis is applied for the purpose of finding the various factors that are affecting the investment behaviour of investors and the variables related to investment environment in the sample area. The dimensions of analysis include awareness on investment avenues, investment behavior, investment climate, motivational factors to investments and suggestions to improve the investment climate in the sample area.

## 2.12: scope for further research

The present study covers the state of Tamilnadu. In future a comparative study can be made between any two different states in the country. At micro level independent business can be selected and can find the success routes of business in the selected field. It is also suggestible one can do a research between the success factors of entrepreneurship now and then. A similar study can also be conducted between various kinds of businesses namely, manufacturing and assembling, assembling and trading, trading and construction, construction and distribution etc. At macro level a comparative study can be made between the entrepreneurial climate of two different countries in a continent or two different countries belongs to different continents. Such studies can through a light on the entrepreneurial climate and success factors of entrepreneurship in different geographical locations at different points of time and in the different kinds of business.

## IMPORTANT FINDINGS OF THE STUDY:

Findings Based on the Percentage Analysis:

- The study reveals that, 42.6 percent of the sample is belongs to 31-40 years age group and another 22.1 percent are belongs to 41-50 years age group. It accounts nearly one third of the sample is high level of income earning age and potential savings group. This indicates the savings potential and investment capacity of the sample area. The reasons behind high level of savings by these age groups may be matured level of thinking, planning for the future and protection to the dependents are the prime priorities of these age groups.
- It is found from the sample that, 38.8 percent are graduates, 33 percent are belongs to post graduates, 10.9 percent are belongs to profession and 17.3 percent are belongs to matriculation category.
- It is observed from that table 4.2.5, that 39.6 percent of the respondents are coming under the income level of Rs.10000 and less group among the sample. Another 36.5 percent comes under the income level of Rs.10000-Rs.20000 group. It indicates that the 3/4<sup>th</sup> of the sample is coming under the lower and upper lower income earnings group in the sample area.
- The primary objective of the investments elected by the investors in the sample area is regular income with 52.5 percent score, income and growth with 19.5 percent and capital appreciation with score of 14 percent among the survey.
- Land is the most preferred investment avenue to the investors in the sample area representing with 41.6 percent of the sample. It is followed by gold and silver with the 27.7 percent of the sample, 16.2 percent represents insurance and 14.5 represents other investment avenues as the preferred investment option in the sample.
- Risk tolerance of the investors is observed at 10-15 percent among the 39.6 percent of the sample respondents. 38.3 percent expressed the risk tolerance level of less than 10 percent and finally 10.7 percent of the sample represents high risk tolerance group with above 20 percent of risk level. It indicates that, the average risk tolerance capacity of the majority of the respondents is less than 15 percent.

## Findings of the Inferential Analysis:

- There is no significant difference between the age groups with regard to the perceptions on the awareness on investment avenues, investor behavior, investment climate, motivational factors to investments and suggestions to improve the investment

climate in the sample area. It is agreed due to the fact that  $p$  value is greater than 0.05, the null hypothesis There is no significant difference between the age groups with regard to the perceptions on the awareness on investment avenues(0.147), investor behavior(0.554), investment climate(0.314), motivational factors to investments(0.972) and suggestions to improve the investment climate in the sample area(0.227) is accepted at 5% level of significance.

- Since  $p$  value is less than 0.01, the null hypothesis, there is no significant difference between the qualifications with regard to the dimension of level of awareness on investment avenues in the sample area is rejected at 1% level of significance. Hence, there is a significant difference between the qualifications with regard to the dimension of level of awareness on investment avenues in the sample area. Based on the mean value the level of awareness is high among the investors belongs to post graduate qualification mean score of 42.92 and with the standard deviation of 13.271, when comparing to other groups in the sample.
- Since  $p$  value is less than 0.001, the null hypothesis there is no significant difference between the occupations with regard to the perceptions on the awareness on investment avenues, investor behavior, motivational factors to investments and suggestions to improve the investment climate in the sample area is rejected at 1% level of significance.
- Since the  $p$  value is less than 0.001, the null hypothesis, There is no significant difference between the occupations with regard to the perceptions on the awareness on investment avenues, investor behavior and suggestions to improve the investment climate in the sample area is rejected at 1% level of significance. Hence, there is no significant difference between the occupations with regard to the perceptions on the awareness on investment avenues, investor behavior and suggestions to improve the investment climate in the sample area.
- **The most influencing factors of investment behaviour** of the investors in the sample area are: Salary form my job and earnings is likely to grow significantly in the coming years with the mean score of 13.35; If I were to decide how to invest contributions in my retire plan, I would choose investments which give fixed yields and stability with the mean score of 11.56; I believe investing in today's volatile stock markets is very risky with the mean score of 10.46; Based on the return from my investment avenue I will change my investment preference with the mean score of 10.07; Investments should be in a position to give financial protection to the family with the mean score of 11.18; Simplified procedures should be there in investments with the mean score of 10.38; and Small investment options are more attractive than bigger ones with the mean score of 11.32 is observed in the sample survey.
- **Moderately influencing factors of investment behaviour** of investors in the sample area are: Return from the investment will have an influence on the degree of risk I am willing to take with the mean score of 9.59; Legal aspects and litigations are the prime concerns in investment decisions irrespective of duration with the mean score of 9.68; Government assurance on the repayment of principal and returns with mean of 9.6; and Free from anti social element activities like encroachments with mean of 9.61 is observed in the sample survey.
- **Least influencing factors of investment behaviour** of the investors in the sample area are: Investing with gilt edged securities is better in long run with mean of 9.28; Diversified portfolios are preferred than the single and large investments with the mean of 9.02; Local investments are better when compare to other places with the mean of 9.39; Investing through and with known people is the preferred option with the mean of 9.41; Investing in the group investments is better when compare to others with the mean of 9.21 in the sample area.
- **Factors determining investment behaviour of the investors** in the sample area is emerged by rotating the item scores loaded using factor analysis. The sample adequacy for the factor analysis is found by using Kaiser Mayer Olkin sample adequacy test and the result is found adequate at 0.869 i.e. (86.9%). Each of the items is measured with Lickert's scale on the level of agreement and grouped by using the Principal component analysis. Five factors are emerged in the analysis. The factors are Operational factors, safety factors, risk factors, trust factors and contingency factors.

**4.0: CHAPTERISATION:** The total study is divided into five chapters. The first chapter discussed about the back ground to the study. The second chapter deals with review of literature on the current topic. The third chapter explained the methodology and frame work of analysis. Fourth chapter deals with Data analysis and discussion and Last Chapter contains the findings, suggestions and conclusion to the topic of research.

# DOES CUSTOMER SATISFACTION DEPENDS ON BRANDS: AN EMPIRICAL EVIDENCE FROM TEXTILE SECTOR

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## ABSTRACT

Private label brands are flourishing in the market on day to day basis. However, the equal number of brands are failed to capture the views of the customers and to improve the sales. Factors that drive this growth are the new generation of consumers who are not loyal to the individual brands and more open to endeavoring new products. In this scenario, the present study is conducted with an aim to find out the impact of awareness, perceptions, motivation, and attitude on satisfaction towards PLBs by holding purchase intention and purchase decision as mediating variables. The results indicate that, the factors influencing satisfaction towards private label brands (PLBs) observed are awareness (0.061), attitude (0.155), motivation (0.109), perception (0.046) Purchase intention ( 0.140) and Purchase Decision making(0.767) respectively influencing the satisfaction towards private label brands (PLBs) apparels in the malls.

**Keywords:** Attitude- Purchase decision- Satisfaction- Open Markets

## INTRODUCTION

Private label brands propagate because the price of private label brands is lower than the price of national or domestic manufacturer's brands. Nowadays, consumers became more price conscious and paid more attention on private label brand products (Chakraborty, 2011). Private label brands are more popular especially in the United States and European countries, where many retailers selling their own brands such as Tesco and Sainsbury in the United Kingdom. India may represent the least-developed retail market in Southeast Asia: modern trade perforation is 5%, compared to more than 50% for most Southeast Asian markets; but it is one of the most prosperous private-label markets in the region. Private label grew 27% between 2012 and September 2014. Factors that drive this growth are the new generation of consumers who are not loyal to the individual brands and more open to endeavoring new products. In this scenario, the present study is conducted with an aim to find out the impact of awareness, perceptions, motivation, and attitude on satisfaction towards PLBs by holding purchase intention and purchase decision as mediating variables.

## Research Methodology

The descriptive research design was followed in this research with the aim of finding out the relationship among the variables. Perception, Attitude, Purchase behaviour and Satisfaction towards Private brand Apparels towards are studied in detail. In determining the size and nature of the sample, respondents have selected who had made the purchase inside the shops deals with private label brand apparels in Chennai City. A calculation was made to reveal how many respondents were needed for this research. In this research, Demerger's table of Sample Size was used to arrive sample size. The resulted sample size was 384. It was decided to collect as many samples as possible, above and beyond the estimated size.

## Data Analysis and Discussion

### Regression-I

In this study, the dependent variable is Satisfaction towards Private label brand apparels (PLBs), Independent variables are awareness, perception, motivation and attitude and analysis are discussed as follows:

**Null Hypothesis:  $H_{0.1}$ :** There is no impact of awareness, perception, Motivation and attitude on satisfaction of Private label brand apparels (PLBs) without effect of mediating variables.

Dependent variable : Satisfaction towards Private label brand apparels (PLBs) (Y)  
 Independent variables : 1. Awareness (X1)  
 Perception (X2)  
 Motivation (X3)  
 Attitude (X4)  
 Multiple R value : 0.643  
 R Square value : 0.413  
 F value : 98.072  
 P value : <0.001\*\*

**Table4.57 Coefficients (a) of Independent variables on Level of satisfaction of PLBs**

	Unstandardized Coefficients		Standardized Coefficients	T value	P value
	B	Std. Error	Beta		
(Constant)	15.111	1.943		7.779	0.000
Awareness	0.049	0.061	0.036	.808	0.419
Perception	0.122	0.035	0.152	3.445	0.001**
Motivation	0.252	0.047	0.272	5.300	0.000**
Attitude	0.271	0.044	0.285	6.144	0.000**

a Dependent Variable: Satisfaction of PLBs

**The multiple correlation coefficient** is 0.643 measures the degree of relationship between the actual values and the predicted values of the satisfaction towards private label brands (PLBs). Because the predicted values are obtained as a linear combination of Awareness (X1), Perception (X2), Motivation (X3), Attitude (X4) the coefficient value of 0.643 indicates that the relationship between satisfaction towards PLBs and the independent variables is quite considerable and positive.

**The Coefficient of Determination R-square** measures the goodness-of-fit of the estimated Sample Regression Plane (SRP) in terms of the proportion of the variation in the dependent variables explained by the fitted sample regression equation. Thus, the value of **R square** is 0.413 simply means that about 41.3 % of the variation in satisfaction towards private label brands (PLBs) is explained by the estimated SRP that uses Awareness (X1), Perception (X2), Motivation (X3), Attitude (X4) as the independent variables and R square value is significant at 1 % level.

The multiple regression equation is

$$Y = 15.111 + 0.049X1 + 0.122X2 + 0.252X3 + 0.271X4$$

Here the coefficient of **X1** is 0.049 represents the considerable and partial effect of awareness on satisfaction towards private label brands (PLBs), holding the other variables as constant. The estimated positive sign implies that such effect is positive that satisfaction towards private label brands (PLBs) would increase by 0.049 for every unit increase in awareness and this coefficient value is not significant at 5% level.

The coefficient of **X2** is 0.122 represents the partial effect of perception on satisfaction towards private label brands (PLBs), holding the other variables as constant. The estimated negative sign implies that such effect is positive that satisfaction towards private label brands (PLBs) would decrease by 0.122 for every unit increase in perception and this coefficient value is highly significant at 1% level.

The coefficient of **X3** is 0.252 represents the considerable effect of motivation on satisfaction towards private label brands (PLBs), holding the other variables as constant. The estimated positive sign implies that such effect is positive that satisfaction towards private label brands (PLBs) would increase by 0.252 for every unit increase in motivation and this coefficient value is highly significant at 1% level.

The coefficient of **X4** is 0.271 represents the partial effect of attitude on satisfaction towards private label brands (PLBs), holding the other variables as constant. The estimated positive sign implies that such effect is positive that satisfaction towards private label brands (PLBs) would increase by 0.271 for every unit increase in attitude and this coefficient value is highly significant at 1% level.

Based on standardized coefficient, the factors influencing satisfaction towards private label brands (PLBs) observed are awareness (0.049), attitude (0.271), motivation (0.252), perception (0.1122) respectively influencing the satisfaction towards private label brands (PLBs) apparels in the malls.

## Regression-II

In this study, the dependent variable is satisfaction towards Private label brand apparels (PLBs), Independent variables are awareness, perception, motivation, attitude and purchase intention and analysis are discussed as follows:

Null Hypothesis: Ho4.2: There is no impact of awareness, perception, Motivation and attitude on satisfaction of Private label brand apparels (PLBs) with purchase intention as mediating variable.

Dependent variable : Satisfaction towards Private label brand apparels (PLBs) (Y)

Independent variables : 1. Awareness (X1)

Perception (X2)

Motivation (X3)

Attitude (X4)

Purchase intention (X5)

### Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Change Statistics				
						R Square Change	F Change	df1	df2	Sig.
1	.643(a)	0.413	0.409		8.980	0.413	98.072	4	557	0.000
2	.655(b)	0.428	0.423		8.871	0.015	14.716	1	556	0.000

a Predictors: (Constant), Attitude, Awareness, Perception, Motivation

b Predictors: (Constant), Attitude, Awareness, Perception, Motivation, Purchase Intention

**Table 4.58 Coefficients (a) of Independent variables and purchase intention as mediating variable on Level of satisfaction of PLBs**

Model		Unstandardized Coefficients		Standardized Coefficients	T value	P value
		B	Std. Error	Beta		
1	(Constant)	15.111	1.943		7.779	0.000
	Awareness	0.049	0.061	0.036	0.808	0.419
	Perception	0.122	0.035	0.152	3.445	0.001
	Motivation	0.252	0.047	0.272	5.300	0.000
	Attitude	0.271	0.044	0.285	6.144	0.000
2	(Constant)	9.072	2.482		3.655	0.000
	Awareness	0.022	0.061	0.016	0.358	0.720NS
	Perception	0.126	0.035	0.157	3.599	0.000**
	Motivation	0.202	0.049	0.219	4.167	0.000**
	Attitude	0.253	0.044	0.265	5.754	0.000**
	Purchase Intention	0.292	0.076	0.146	3.836	0.000**

a Dependent Variable: Satisfaction of PLBs

\*\* - indicates highly significant at 1% level. NS - Not significant at 5% level of significance.

### Excluded Variables (b)

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	Purchase Intention	0.146(a)	3.836	0.000	0.161	0.707

a Predictors in the Model: (Constant), Attitude, Awareness, Perception, Motivation

b Dependent Variable: Satisfaction of PLBs

**The multiple correlation coefficient is 0.655** measures the degree of relationship between the actual values and the predicted



values of the satisfaction towards private label brands (PLBs). Because the predicted values are obtained as a linear combination of Awareness (X1), Perception (X2), Motivation (X3), Attitude (X4) and Purchase intention (X5) ( the coefficient value of 0.655 indicates that the relationship between satisfaction towards PLBs and the independent variables and first mediating variable is quite considerable and positive.

**The Coefficient of Determination R-square** measures the goodness-of-fit of the estimated Sample Regression Plane (SRP) in terms of the proportion of the variation in the dependent variables explained by the fitted sample regression equation. Thus, the value of **R square** is 0.428 simply means that about 42.8 % of the variation in satisfaction towards private label brands (PLBs) is explained by the estimated SRP that uses Awareness (X1), Perception (X2), Motivation (X3), Attitude (X4) and Purchase intention (X5) as the independent variables and R square value is significant at 1 % level.

The multiple regression equation is

$$Y = 15.111 + 0.022X1 + 0.126X2 + 0.202X3 + 0.253X4 + 0.292 X5$$

Here the coefficient of **X1** is 0.022 represents the considerable and partial effect of awareness on satisfaction towards private label brands (PLBs), holding the other variables as constant. The estimated positive sign implies that such effect is positive that satisfaction towards private label brands (PLBs) would increase by 0.022 for every unit increase in awareness and this coefficient value is not significant at 5% level.

The coefficient of **X2** is 0.126 represents the partial effect of perception on satisfaction towards private label brands (PLBs), holding the other variables as constant. The estimated negative sign implies that such effect is positive that satisfaction towards private label brands (PLBs) would decrease by 0.126 for every unit increase in perception and this coefficient value is highly significant at 1% level.

The coefficient of **X3** is 0.202 represents the considerable effect of motivation on satisfaction towards private label brands (PLBs), holding the other variables as constant. The estimated positive sign implies that such effect is positive that satisfaction towards private label brands (PLBs) would increase by 0.202 for every unit increase in motivation and this coefficient value is highly significant at 1% level.

The coefficient of **X4** is 0.253 represents the partial effect of attitude on satisfaction towards private label brands (PLBs), holding the other variables as constant. The estimated positive sign implies that such effect is positive that satisfaction towards private label brands (PLBs) would increase by 0.253 for every unit increase in attitude and this coefficient value is highly significant at 1% level.

The coefficient of **X5** is 0.292 represents the considerable effect of purchase intention on satisfaction towards private label brands (PLBs), holding the other variables as constant. The estimated positive sign implies that such effect is positive that satisfaction towards private label brands (PLBs) would increase by 0.292 for every unit increase in purchase intention and this coefficient value is highly significant at 1% level.

### Regression-III

In this study, the dependent variable is satisfaction towards Private label brand apparels (PLBs), Independent variables are awareness, perception, motivation and attitude and analysis are discussed as follows:

Null Hypothesis: Ho4.3: There is no impact of awareness, perception, Motivation and attitude on satisfaction of Private label brand apparels (PLBs) with purchase intention and purchase decision as mediating variables.

Dependent variable : Satisfaction towards Private label brand apparels (PLBs) (Y)

Independent variables : 1. Awareness (X1)

Perception (X2)

Motivation (X3)

Attitude (X4)

Purchase intention (X5)

Purchase Decision making (X6)

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.643(a)	0.413	0.409	8.980	0.413	98.072	4	557	0.000

2	.655(b)	0.428	0.423	8.871	0.015	14.716	1	556	0.000
3	.745(c)	0.554	0.550	7.840	0.126	156.855	1	555	0.000**

c Predictors: (Constant), Attitude, Awareness, Perception, Motivation, Purchase Intention, Purchase Decision Making of PLBs

#### Excluded Variables(c)

	Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
					Tolerance
Purchase Intention	.146(a)	3.836	.000	.161	.707
Purchase Decision Making of PLBs	.513(a)	13.059	.000	.484	.523
Purchase Decision Making of PLBs	.499(b)	12.524	.000	.469	.506

a Predictors in the Model: (Constant), Attitude, Awareness, Perception, Motivation; b Predictors in the Model: (Constant), Attitude, Awareness, Perception, Motivation, Purchase Intention; c Dependent Variable: Satisfaction of PLBs.

**Table4.59 Coefficients (a) of Independent variables, mediating variables on Level of satisfaction**

Model		Unstandardized Coefficients		Standardized Coefficients	T value	P value
		B	Std. Error	Beta		
1	(Constant)	15.111	1.943		7.779	0.000
	Awareness	0.049	0.061	0.036	0.808	0.419
	Perception	0.122	0.035	0.152	3.445	0.001
	Motivation	0.252	0.047	0.272	5.300	0.000
	Attitude	0.271	0.044	0.285	6.144	0.000
2	(Constant)	9.072	2.482		3.655	0.000
	Awareness	0.022	0.061	0.016	.358	0.720
	Perception	0.126	0.035	0.157	3.599	0.000
	Motivation	0.202	0.049	0.219	4.167	0.000
	Attitude	0.253	0.044	0.265	5.754	0.000
	Purchase Intention	0.292	0.076	0.146	3.836	0.000
3	(Constant)	5.287	2.214		2.387	0.017
	Awareness	0.061	0.054	0.044	1.131	0.259NS
	Perception	0.046	0.032	0.057	1.457	0.146NS
	Motivation	0.109	0.044	0.117	2.491	0.013*
	Attitude	0.155	0.040	0.163	3.916	0.000**
	Purchase Intention	0.140	0.068	0.070	2.046	0.041*
	Purchase Decision Making of PLBs	0.767	0.061	0.499	12.524	0.000**

a Dependent Variable: Satisfaction of PLBs

**The multiple correlation coefficient** is 0.745 measures the degree of relationship between the actual values and the predicted values of the satisfaction towards private label brands (PLBs). Because the predicted values are obtained as a linear combination of Awareness (X1), Perception (X2), Motivation (X3), Attitude (X4), Purchase intention (X5) and Purchase decision making (X6) ( the coefficient value of 0.745 indicates that the relationship between satisfaction towards PLBs and the independent variables and first mediating variable is quite considerable and positive.

**The Coefficient of Determination R-square** measures the goodness-of-fit of the estimated Sample Regression Plane (SRP) in terms of the proportion of the variation in the dependent variables explained by the fitted sample regression equation. Thus, the value of **R square** is 0.554 simply means that about 55.4 % of the variation in satisfaction towards private label brands (PLBs) is explained by the estimated SRP that uses Awareness (X1), Perception (X2), Motivation (X3), Attitude (X4) and Purchase intention (X5) and Purchase decision making (X6) as the independent variables and R square value is significant at 1 % level.



The multiple regression equation is

$$Y = 15.111 + 0.061X_1 + 0.046X_2 + 0.109X_3 + 0.155X_4 + 0.140X_5 + 0.767X_6$$

Here the coefficient of **X<sub>1</sub>** is 0.061 represents the nominal positive effect of awareness on satisfaction towards private label brands (PLBs), holding the other variables as constant. The estimated positive sign implies that such effect is positive that satisfaction towards private label brands (PLBs) would decrease by 0.061 for every unit increase in awareness and this coefficient value is not significant at 5% level.

The coefficient of **X<sub>2</sub>** is 0.046 represents the partial effect of perception on satisfaction towards private label brands (PLBs), holding the other variables as constant. The estimated positive sign implies that such effect is positive that satisfaction towards private label brands (PLBs) would decrease by 0.046 for every unit increase in perception and this coefficient value is not significant at 5% level.

The coefficient of **X<sub>3</sub>** is 0.109 represents the considerable effect of motivation on satisfaction towards private label brands (PLBs), holding the other variables as constant. The estimated positive sign implies that such effect is positive that satisfaction towards private label brands (PLBs) would increase by 0.109 for every unit increase in motivation and this coefficient value is significant at 5% level.

The coefficient of **X<sub>4</sub>** is 0.155 represents the partial effect of attitude on satisfaction towards private label brands (PLBs), holding the other variables as constant. The estimated positive sign implies that such effect is positive that satisfaction towards private label brands (PLBs) would increase by 0.155 for every unit increase in attitude and this coefficient value is highly significant at 1% level.

The coefficient of **X<sub>5</sub>** is 0.140 represents the considerable effect of purchase intention on satisfaction towards private label brands (PLBs), holding the other variables as constant. The estimated positive sign implies that such effect is positive that satisfaction towards private label brands (PLBs) would increase by 0.140 for every unit increase in purchase intention and this coefficient value is significant at 5% level.

The coefficient of **X<sub>6</sub>** is 0.767 represents the high level of effect of purchase decision on satisfaction towards private label brands (PLBs), holding the other variables as constant. The estimated positive sign implies that such effect is positive that satisfaction towards private label brands (PLBs) would increase by 0.767 for every unit increase in purchase decision and this coefficient value is highly significant at 1% level.

## **SUMMARY AND CONCLUSION**

Based on standardized coefficient, the factors influencing satisfaction towards private label brands (PLBs) observed are awareness (0.061), attitude (0.155), motivation (0.109), perception (0.046) Purchase intention (0.140) and Purchase Decision making(0.767) respectively influencing the satisfaction towards private label brands (PLBs) apparels in the malls. This clearly indicates that the majority of the buyers of PLBs are highly satisfied with the quality attributes expected by the customers. Hence, PLBs will be the best alternative to national brands in terms of quality and value for money.

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# IMPACT OF SERVICE SCAPE ON E-MARKETING: A PERCEPTIONAL STUDY AMONG THE SELECTED CUSTOMERS FROM CHENNAI CITY

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## ABSTRACT

Today's world is based on the internet. It's tough for the consumers to imagine their life without the internet because e-marketing has revolutionized the market and the minds of the consumers, as they can browse through the internet to source information for whatever they want, whenever they want. Today businesses around the world recognize that "the consumers are not the king but they are the soul mate". Without customer satisfaction, organizations are unlikely to increase sales and, without increased sales, organizations won't have resources to invest in anything. The Internet and Mobile Association of India (IAMAI) reports that the total value of e-Commerce transactions is expected to reach a minimum of \$70 billion by 2024-25 - a massive market for merchants to engage with. This clearly demonstrates that India is growing fast and people are of using the internet as the evaluation of human society. The improvements in communication process and digital convergence open up innovative opportunities for marketing. Subsequently, the internet has moved ahead to play a significant role in consumer life.

## INTRODUCTION TO THE STUDY

### Origin and growth of E-marketing

In a world where over 170 million people use social media on a regular basis, every working professional is expected to be familiar with at least the core tenets of Digital Marketing. In simple terms, Digital Marketing is the promotion of products over the internet or any form of electronic media. According to the Digital Marketing Institute, "Digital Marketing is the use of digital channels to promote or market products and services to targeted consumers and businesses."

The Internet is nearly 50 years old. It has started in 1969 as the ARPANET, it was commissioned by U.S. Department of Defense's Advanced Research Project Agency (ARPA) as a network for academic and military use. The first online community, the USENET, began 10 years later and over 800 million messages are now achieved in Google groups. The first web pages and internet browsers appeared in 1993 and that was the internet's tipping point. This was web 1.0. Companies, media and users flocked to this new web and it grew more quickly than had radio, television or any other medium. This first generation of e-business was like a gold rush. New start-ups and well established business alike created web presence and experimented plenty.

The term Digital Marketing was first invented and used in the year 1990. At that time Web 1.0 platform was developed which helped users to find out their necessary information. But, it did not allow them to share this information over the web. This time the marketers and the experts are unaware the uses of digital marketing. They were not sure whether their strategies would work or not because at that time the internet had not yet seen widespread deployment.

Then, in 1993, the first clickable web-ad banner went live. At that time, HotWired purchased a few banner ads for their promotion and advertising. This marked the beginning of the digital marketing era. In 1994, some new technologies (First e-commerce transaction was done over the internet) were invented and entered the market with a new mission. Because of this gradual shift, the year 1994 saw new technologies enter the digital marketplace. The very same year, Yahoo was launched. Also known as “Jerry’s Guide to the World Wide Web” after its founder Jerry Yang, Yahoo received close to 1 million hits within the first year. This prompted wholesale changes in the digital marketing space, with companies optimizing their websites to pull in higher search engine rankings. Yahoo has changed the definition of digital marketing, and the companies have tried to optimize their websites so that they can get a better rank in search engine.

In 1996, some more search engines and tools like HotBot, LookSmart, and Alexa were launched. The first social media site Sixdegrees.com was launched in the year 1997. In 1998 saw the birth of Google. Microsoft launched the MSN search engine and Yahoo brought to the market Yahoo web search. Two years later, the internet bubble burst and all the smaller search engines were either left behind or wiped out leaving more space for the giants in the business. Moreover, in this year also Microsoft launched MSN, and Yahoo launched Yahoo web search.

Two years later (in 2000), the internet bubble burst and all the smaller search engines were wiped out. This creates more space and opportunities for the giants in the business. Then, the professional social media network LinkedIn was launched in 2002. The year 2003 was witnessed the release of WordPress and the launch of MySpace. In 2004, Gmail was launched. The same year Facebook has gone live, and Google went public. Then came Web 2.0, where people became more active participants rather than remain passive users. Web 2.0 allowed users to interact with other users and businesses. Labels like ‘super information highway’ began to be applied to the internet. As a result, information flow volumes –including channels utilized by digital marketers- increased manifold, and by 2004, internet advertising and marketing in the US alone brought in around \$2.9 billion. Soon, social networking sites began to emerge. MySpace was the first social networking site to arrive, soon followed by Facebook. Many companies realized all these fresh new sites that were popping up were beginning to open new doors of opportunities to market their products and brands. It opened fresh avenues for business and signaled the beginning of a new chapter to business. With new resources, they needed new approaches to promote their brands & capitalize on the social networking platform.

The cookie was another important milestone in the digital marketing industry. Advertisers had begun to look for other ways to capitalize on the fledgling technology. One such technique was to track common browsing habits and usage patterns of frequent users of the internet so as to tailor promotions and marketing collateral to their tastes. The first cookie was designed to record user-habits. The use of the cookie has changed over the years, and cookies today are coded to offer marketers a variety of ways to collect literal user data. Next, YouTube was launched in the year 2005.

The year 2006 was another remarkable year because search engine traffic was reported to have grown to about 6.4 billion in a single month. This year Microsoft launched an MS live search and simultaneously, Twitter was also launched. Not one to get left behind, Microsoft put MSN on the backburner and launched Live Search to compete with Google and Yahoo.

At the same time, Amazon e-commerce sales have crossed near about \$10 billion. In 2007, Tumblr was launched. Moreover, web streaming service Hulu was also founded in this year. Mobile giant Apple launched its iPhone in the same year. In the year 2008, Spotify was launched and Groupon went live. In 2009, Google launched Instant for real-time search engine results. Google introduced products like AdWords, which are 3 line ads that show up at the top or to the right of search engine results, and AdSense which is a cost-per-click advertising scheme. In time, Google started to target ads based on the interests of the customers and thus became a key player in the world of digital business.

In 2010, Whatsapp was launched along with Google Buzz. In 2011, Google+ and Google Panda were launched. People have already started to spend time on these mediums, and these mediums have surpassed the television viewership too. 2012 is the year of social media. The companies have increased their social media budget up to 64%, and Google knowledge graph has also launched. Myspace and Facebook are the popular social media sites among the people. The companies have realized that these sites will help them in spreading up their businesses over the internet and thus, they were desperately trying to promote their products and brands on various social media channels. They have also tried to leverage social media to their businesses. In 2013, Yahoo acquired Tumblr. In 2014, the number of mobile and smartphone users had surpassed the number of PC users. Facebook messenger app along with tailored ads on LinkedIn and iWatch was launched. During this year,

Facebook acquired Whatsapp. Products marketed digitally are now available to customers at all times. Statistics collected by the Marketingtechblog for 2014 show that posting on social media is the top online activity in the US. The average American spends 37 minutes a day on social media. 99% of digital marketers use Facebook to market, 97% use Twitter, 69% use Pinterest and 59% use Instagram. 70% of B2C marketers have acquired customers through Facebook. 67% of Twitter users are far more likely to buy from brands that they follow on Twitter. 83.8% of luxury brands have a presence on Pinterest. The top three social networking sites used by marketers are LinkedIn, Twitter, and Facebook.

In 2015, Snapchat has launched its Discover feature. In this year several new technologies like analytics, wearable tech, and content marketing have also invented. Facebook has also launched its “Instant articles” in this year. The cookie was another significant milestone in the field of digital marketing. The first cookie was designed to record user habits. The use of the cookie has changed over the years, and cookies today are coded to offer marketers a variety of ways to collect literal user data. Popular social networking sites in 2017 are Facebook, YouTube, Instagram, Twitter, Reddit, etc. Facebook has a user base of 2.01 billion (as per the record of June 30, 2017). Based on the same, it can be concluded that the digital marketing is growing exponentially and every day it brings a chunk of opportunities to the users as well as the company owners. If you want to establish your presence firmly in this digitalized era, then you need to use all these opportunities meticulously for the benefit of the society at large.

### Factors influencing consumer purchase decisions in online marketing

Gilmore, D. Gallagher, and S. Henry, (2007), Studies show that e-marketing acceptance has opened a new arena in the competition due to its various features and benefits such as trade globalization, elimination of temporal and geographical constraints, speed, efficiency, significant cost reduction, improved product quality, finding new customers or suppliers, creating new ways of selling current products, and exploiting opportunities among others. The Internet has affected many barriers to imports and exports, giving a lot of hopes to millions of SMEs.

S.D. Chaffey, R. Mayer, K. Johnston, and F. Chadwick, (2000), E-marketing, refers to the application of the Internet and other related digital technologies in order to achieve marketing goals.

T. Mazzarol (2015), Moreover, e-marketing has been defined to include the use of the Internet as well as its related technologies and features such as the world wide web, web presences, e-mails, real-time communication, and delayed and mixed time communication. These, and other marketing tools enable marketing objectives to be achieved. The term ‘e-marketing’ refers to the use of ICT by firms in order to carry out activities that serve to complete commerce and ebusiness strategies.

### e-marketing Indian prospective

Emerging as one of the most rapidly developing economies worldwide, India offers tremendous opportunities for the growth of businesses. This rings true, especially for digital marketing. Currently, there are of 35% of the Indian population that has access to the internet. This figure may seem low, but considering that India’s population exceeds a billion, this means that there are about 462 million internet users in the country. In addition, the internet penetration rate is expected to reach above 55% by the end of 2025 due to the fast development of telecommunications infrastructure. According to the Mary Meeker Annual Internet trends report for 2017, the country’s rate of internet use is quickly growing indicating that the Golden Age of digital marketing is yet to come in India.

**Table-1: Showing the digital marketing growth potential in India**

Particulars	2017 (in Millions)	2025 (estimates)
No. of people using digital marketing	462 Million	850 Million
% of internet penetration	35%	55%
% of internet users from India in the world	13.5%	
Salient feature of Indian users	65% of the users are from the age group of above 25 years of age	
World rank	II (next to China)	

Adapting to digital marketing has always been a point of skepticism for Indian marketers. This is mainly due to the inadequate reach of digital channels to prospective audiences. However, marketers are beginning to open up to the idea of

digital marketing with the internet becoming an indispensable part of people's lives. As a matter of fact, the average budget allocated to digital marketing grew to 21% in 2017 from 19% in 2016. This is anticipated to have a massive surge in succeeding years. According to We Are Social's Global Digital Report for 2019, there are 1.190 billion mobile subscriptions in India, which accounts for 87% of the population. As mobile data plans in the country become more affordable and pervasive, the populace's access to the internet is expected to become more widespread in the coming years.

**Table-2: Key digital statistical indicators of Indian market as on January 2018**

Particulars	Total population in Million	Penetration rate in %
Total Population	1347	34%
Internet users	462	34%
Active social media users	250	19%
Unique mobile users	844	63%
Active mobile social users	230	17%

Source: <https://www.slideshare.net/DataReportal/digital-2019-india-january-2019-v01>

Furthermore, there are over 310 million active social media users in India. The biggest social network in the country is Facebook with around 300 million users in 2018. Instagram follows this with about 75 million users. LinkedIn has 54 million users, Snapchat has 11.15 million users and Twitter has 7.65 million active users.

## **2.1 Research Gap Identified**

On the basis of the review of literature, the scholar identified many dimensions of factors influencing the usage patterns and level of satisfaction of customers using the e-marketing and buying the goods and services from the online marketers. In e-marketing retail sector, service providers find it increasingly difficult to create a differential advantage in service delivery due to huge infrastructure cost associated with the facility creation and maintenance of delivery systems. Simultaneously, the customer's expectations towards service quality are highly diverse and demanding. The two major areas of factors affecting the satisfaction of e-marketing customers is service physical features of the e-marketing sites (service scape) and service quality in terms of quality of goods, designs display, price, discounts, delivery modes and payment options. The first dimension is physical environment of sites and its user friendliness with customized options and other one is intangible service environment. The combined effect of these two factors affects the usage patterns and satisfaction towards the adoption and usage of e-marketing as a channel to buy. The online customers choose the best system by comparing with the other sites available in the web and in the sample area. Hence, it is necessary to the e-marketing companies to know and have customer preferences in hand to make a policy and strategic plan to meet the expectations of the online marketing users from time to time. This can help to improve the online customer's satisfaction for the business continuity and sustainability in the days to come. On the other hand, it also helps to attract the potential youth towards e-marketing sites and to buy goods and services and there by business continuity and sustainability can be optimized. Hence, the present study is proposed to examine the service scape (physical environment of online sites) and other motivating factors influencing the customers to use e-marketing as a channel to buy goods and service in the sample area.

## **Statement of the Problem**

Rapid urbanization, changing trends in the life style and the traffic in cities making the urban life miserable. Individuals prefer to go for shopping in a relaxed manner and the organized retail malls are serving the segment very comfortably. The recent issues like safety, communicable diseases making the elderly and working class to look for alternative options. The digital marketing becomes an option to them to choose the utilities required by them online food aggregators are the first initiators to supply food items at door steps. Later slowly, the international players like amzon, flipkart, alibaba and many more entered into picture with virtual reality and augmented reality and standardization of products to the Indian customers. This has brought a drastic change in the minds of the people to prefer e-marketing channel as an option to buy goods and services. But, in a conglomerative open market environment and cosmopolitan customer base, the primary expectations from the e-marketing channels could be look and feel good appearance of the sites and the options provided in the site as attributes to attract the customers in a large scale and there by trade off will be easy. Once, the e-marketing retail firm gets trade off point, and then it can focus on customer delight service quality aspects. Hence, it is necessary to know the basic features expected by the customers in a e-marketing site and physical infrastructure aspects of e-marketing channel. Here, the delivery points,



delivery channels and payment options could be more appropriate to study. Hence, the current study is titled as: Impact of service scape factors on the e-marketing in Tamilnadu: a study with special reference to selected customers from Chennai city.

### **Scope of the Study**

The scope of the current study is limited to the online buyers from Chennai city. The study covers the online buyers from all segments namely, age groups, occupations, income levels, gender, family back ground, and having different opinions with regard to e-marketing and its services. The sample customers are selected in a justified manner; a respondents could have been purchased at least once through online and experienced the attributes on service quality of e-marketing channel. The study covers the set of factors namely servicescape covering five variables namely, Comfortable accessibility of the e-marketing channel, Technology friendliness, safety e- environment free from virus and cyber threats, safety provisions for payment modes and channels as service scape factors. The mediating factors are motivating factors of e-marketing, cyber safety environment and usage patterns. And finally, the dependent factor is level of satisfaction of the e-marketing users and buyers. The study focused on the identification of the degree of influence of each of the independent and mediating variables on the dependent variable in the study. This can help in taking necessary steps to improve the usage level of e-marketing and the level of satisfaction towards e-marketing channels in the sample.

### **Need for the Study**

Chennai is one of the fastest growing cities in south India. Chennai is the 4th largest city in India The city and its surrounding metropolitan area has a population of nearly 8-10 million. India will likely see the golden period of the Internet sector between 2013 to 2020 with incredible growth opportunities and secular growth adoption for E-marketing, Social Media apps, Search engines, Online Content, and Services relating to E-Commerce and Internet Advertising. As we all know, India has a long way to go in the world of Digital Marketing as more and more Indians are spending time on the internet as compared to China and US. Hence, the customers' expectations with regard to physical scape and service environment and its attributes are need of the hour.

The role of service scape environment in e-marketing channels not only helps to improve the customers fall out but also has commercial and business value in it. The services of scape in the form of delivery points, logistics and the packing and transshipment centres adds value to the business model and there by earnings from the physical facilities will increase to break even at shorter span of time. In a way, these service scape facilities create employment and back end supply chain jobs in a large scale. The service quality is needed to attract the e-marketing customers to the online shopping service. This is also a factor having close association with the business consistency and sustainability in the long run. The customer loyalty towards e-marketing service is influenced by the physical appearance and e-service quality in display and sale of goods and services. Hence, it should be measured from time to time and take necessary corrective actions to keep the new age customers delighted. The permanent changes in the system design also to be considered as a dynamic solution to the issue. This is possible only through collection of heterogeneous customer group perceptions and analysing the same from time to time. Hence, the detailed study on newage customer's perceptions towards e-marketing, in the sample area is need of the hour. Hence, the two aims of the study is to assessment of commuters perceptions and expectations towards e-marketing or online marketing and to design the strategies to optimize the usage patterns and level of satisfaction of online buyers in Chennai city.

### **Objectives of the Study**

The specific objectives of the study are:

- To Study the profile of the online customers and their perceptions towards the service scape role in e-marketing adoption and implementation.
- To examine the usage patterns, preferences and expectations towards e-marketing among the users in the sample.
- To analyse the perception differences of customers of different groups towards the service scape impact on the usage and satisfaction of e-marketing practice in the sample.
- To distinguish the level of awareness, usage and satisfaction towards e-marketing among the online buyers in the sample
- To find out the relationship between the servicescape, motivation, awareness and level of satisfaction towards e-marketing among the sample.

## **HYPOTHESES**

On the basis of the objectives of the study, the following hypothesis were framed and administered on the sample data.

There is no significant difference between demographical variables and perceptions with regard to the role of service scape as independent variable influencing the usage and level of satisfaction of online buyers towards e-marketing in the sample.

There is no significant difference between demographical variables and perceptions with regard to the role of usage, motivation and e safety or cyber climate environment as mediating factors influencing the online customer's level of satisfaction towards metro rail services in the sample.

There is no association between the demographical variables and the perceptions with regard to variables influencing the usage and level of satisfaction towards e-marketing among the sample.

There is no significant relationship between the service scape as independent factor and usage motivation and cyber safety environment as mediating factors and online customer's satisfaction towards e-marketing among the sample.

### **Variables Used Are**

1. Independent Factors: Service scape Factor: Comfortable browsing, Technology, cyber safety environment safety of data and personal information provided to the online buyers as service scape factors

2. Mediating Factors: Factors of usage, included the availability, accessibility and affordability as related aspects of usage and Motivating factors of usage in the form of price, discounts, quality of goods and services, comparison of fares, free from traffic, value added services, Existence of cyber safety environment includes the frauds and data safety and payment models.

3. Dependent Factor: Customer's level of satisfaction towards e-marketing including the value added services like packing and design as required by the online buyers.

### **Sources of Data**

For the purpose of study, data required is collected from both primary and secondary sources. The primary data is collected from a structured questionnaire prepared and tested through pilot study. The secondary data is collected from both print and electronic sources. The print sources includes, magazines, newspapers, books, journals, reports, research based thesis, review reports, policy documents and other unpublished data from the libraries and information technology companies in the sample area. The electronic sources includes, data bases, e-journals, web sources, websites of research companies, industry associations, government websites and other media sources. Both primary and secondary sources are chooses through the official and verified sources. The authentication of data is based on the sources of observation and data collection. No personal and separate opinions are included in the study. But, the analysis of data is done in the light of consideration of socioeconomic climate and by considering the perceptions and behavioural aspects of the new age customers in the sample area.

### **Conceptual Frame Work**

Numerous studies have investigated the influence of servicescape in customer attraction, customer perceptions, behaviour; repurchase intentions and satisfaction of the online buyers. No comprehensive study is focused to do an exhaustive and comprehensive study of assessing the role of service scape five dimensions considering as independent variable, usage, motivating factors on e-marketing and cyber safety systems environment as mediating variables and the online customer's level of satisfaction as dependent variables in the literature.

### **Data Collection Tools**

For the purpose of data required for the analysis and to test the hypotheses, the primary data is collected through a structured questionnaire prepared on the basis of review of literature and tested through pilot study. The detailed structure of the questionnaire along with the various parts and its description is presented in the following pages.

### **Structure of the Data Collection Instrument**

The questionnaire is prepared to cover all the aspects related to the problem statement of the study. The questionnaire is made in a comprehensive format using bipolar, dichotomous scaling, multiple choice scaling with single response, Likert's scales with numerical labels.



**Table 3.1 Showing structure of the Questionnaire Design used in the study**

S.No	Sections of the data collection instrument			Total
		MCQs	Likert's 5-point	
1	Demographic Profile	21	-	21
2	Independent Factor:- e-marketing scape environment(Physical)			
	Comfort ability of use of e- marketing	-	10	10
	Technology friendliness		10	10
	Free from risks		10	10
	Cyber safety Environment		10	10
3	Mediating Factors			
	Usage		10	10
	Motivation factors		15	15
	e-marketing Environment		25	25
	Awareness		25	25
4	Dependent Factor			
	Online buyer Satisfaction		10	10
Total		21	135	156

### **Pilot Study and Reliability Statistics of the data collection tool**

The pilot study was conducted by distributing 150 questionnaires to metro rail commuters at three divisions in the sample area. Cronbach Alpha Test was used to determine the degree of consistency among the multiple measurements of each factor and found the overall score of 0.896 as reliable when compared to standard alpha above 0.7 is considered sufficient (George and Mallery, 2001; Pallant, 2005). The quality of research finding depends on the reliability and validity and relevance of the variables used in the research data collection.

### **Research Methodology**

The present study is perceptual and qualitative in nature. The present study is described the profile of the e-marketing customers and to study the perceptions, usage, preferences, expectations and the level of service quality received and the satisfaction derived from e-marketing and online purchases is assessed among the heterogeneous group of customers. For the purpose of collecting the data from the sample respondents, a research data collection instrument is designed and tested with the pilot study. For the purpose of study Chennai city is selected as a sample. The data collection purpose, a structured questionnaire is prepared by consolidation of the variables and factors from the literature. In order to test the reliability and accuracy and coverage of the scope, Initially a pilot study was conducted with 150 questionnaires and the reliability for the same was calculated by using Corn Bach's Alpha Score and found at 0.893 (89.3 Percent) as reliable by comparing the standard alpha above 0.7 is considered sufficient (George and Mallery, 2001; Pallant, 2005).

The large number of customers is from BPO employees, college students and office goers. The employees are coming for different sectors and students and households from different areas are included in the study. Women representation in the sample is ensured at all points of time. The total number of questionnaires distributed to the online buyers is around 1000 and collected back only 785. On completion of the survey and collection of 785 data sheets, it is found that, 102 questionnaires in total found unusable due to errors of omission and dual entries and 683 samples were found suitable for the study. Data analysis is carried out with the same. The data and information collected from respondents pertains to the year 2019 and few are related to 2020.

### **Sample Adequacy and Sample Size**

Since the population is unknown, the sample is determined by using a qualitative technique of reasonability and justified with large sample size. The sample covers the entire sample area in terms of the prominent zones in Chennai city. The sample size and wide coverage are taken care, to avoid errors and validity issues relating to research. The sample size is determined by using the scientific method, by using the pilot study standard deviation of the sample of 150 respondents, by allowing the standard error at 5% level. The adequate sample size obtained by the scientific method is observed at 635 and the actual

number of questionnaires available for data analysis is found at 683 as above the level of adequate sample size, and the analysis is carried out with the actual sample size of 683.

### **Frame Work of Analysis**

To understand the demographic features of the online buyers, and to know the perceptions on usage, preferences, expectations and the level of satisfaction, descriptive statistics and frequency distribution are worked out. Simple correlation has been used to establish the associate relationship among the identified independent, mediating and dependent factors used in the study. In order to identify the degree of influence of independent and mediating factors on the level of satisfaction towards e-marketing among the sample, the appropriate statistical tools are applied based on the nature of the data. In order to group the variables used in the study the factor analysis is grouped and the broad factors are emerged. In order to find out the perceptual difference among the demographical groups with regard to the role of independent and mediating factors on the usage and level of satisfaction towards e-marketing among the respondents, t-test and one way ANOVA is administered by considering the nature of data and dimensions of the study. The association between the demographics and perceptions with regard to the role of service scape on the usage, level of satisfaction among the sample is tested through chi-square test.

A multiple regression is carried out to find out the role of independent factors and mediating factors role on the usage and level of satisfaction towards e-marketing is carried out separately. Besides, mean score have been worked out for identifying the key dimensions of both independent and mediating variables used in the study. Finally, in order to find out the comprehensive relationship between the independent, mediating and dependent factors used in the study, a SEM model is proposed and found fit when compared to the standard values of the model fit measurements of the standard statistical values.

### **Organization and presentation of the study:**

The thesis is presented in five chapters and detailed description of each chapter is as follows.

Chapter-I, titled as Introduction and it deals with explaining the theme of research, the dimensions of the study, and implications of e-marketing narrated in brief.

Chapter-II, titled as Review of Literature and deals with review of existing literature and different dimensions of factors affecting the online buyer's level of satisfaction and the role of comprehensive studies in measuring the level of satisfaction, presenting the contemporary research and identification of research gap, framing the research problem is exercised in a systematic manner.

Chapter-III, titled as Research Methodology and deals with the systematic procedure adopted in administering the present research work including the methodology, design of data collection tool, selection of sample, fixation of size and method of sample, frame work of analysis, organization and limitations of the study is presented.

Chapter-IV titled as Data analysis and Results Discussion, deals with Analysis of Profile of online buyers, usage levels, preferences and perceptions of customers towards e-marketing in Chennai city. In addition, inferential statistics deals with Analysis of data on the role of servicescape factors in the usage and satisfaction of customers towards e-marketing in Chennai city.

Chapter-V titled as Summary of Findings, suggestions, conclusion and Scope for further research and presented the findings of the study in the order of analysis and suggestions are drafted in the light of findings of the study. The study is summarized and presented as conclusion.

# WOMEN ENTREPRENEURSHIP IN SERVICE SECTOR: A STUDY AMONG THE SELECTED WOMEN FROM CHENNAI

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## ABSTRACT

The word 'entrepreneur' first appeared in the French language and was applied to leaders of military expeditions in the beginning of sixteenth century. Later on, it was extended to cover other activities like agriculture, engineering, etc. in fact, Richard Cantillon, an Irishman living in France, was the first person to use the term 'entrepreneur' to refer to economic activities. He defined entrepreneur as "the agent who purchase means of production in order to combine them to produce a product to sell prices that are uncertain at the moment at which he commits himself to his cost". Thus, all classical economists recognized the importance of entrepreneurial functions but did not incorporate in their theories. As a result, entrepreneurship could not become a popular concept. Liberalization-Privatization-Globalization, the interest in entrepreneurship as a subject is growing steadily in the entire world.

## Theories of Entrepreneurship

As the economic theory became more formalized, the tendency to discard entrepreneurship as a significant factor in the operation of the economy has also increased. In fact, in the post economic growth that took place in the industrialized economies, some gave enormous importance to entrepreneurial factors; some other considered it as a passive factor emphasizing the role of invention, market opportunities and changes in the product factor prices. In the light of the above background, the understanding of some important theories of entrepreneurship propounded by Schumpeter, Weber, Hagen, Cochran, Young, Kunkel, Mc Clelland, Harbison and Hoselitz is quintessential.

**Innovative theory of entrepreneurship of Schumpeter:** Joseph Schumpeter, who in turn brought the conceptual changes in the definitions and functions of entrepreneur, propounds the most elaborated theory on entrepreneurship. According to him, entrepreneur is key functionary of economic development.

**Max Weber's social change Theory of Entrepreneurship:** The core aspect of the Weberian theory of social change consists in his treatment of the protestant ethic and the spirit of capitalism. He said that the inducement of profit results in greater number of business enterprises and complete re organization of the industry occur.

**Everett E.Hagen's Theory of Social Change:** Hagan made an attempt to formulate a theory of social change, which explains how a traditional society becomes one in which continuous technical progress takes place. He supports the idea that economic growth occurs intur woven with political and social change. Besides, he rejected the idea that the solution to economic under development lies in imitating Western technology.

**Thomas Cochran's Sociological Theory of Entrepreneurial Supply:** Cochran propounded a sociological theory of entrepreneurial supply. The basic assumption is that fundamental problems of economic development are non-economic. He emphasizes that cultural values, role expectation and social sanctions are the key elements that determine the supply entrepreneurs. According to him, an entrepreneur is neither a super normal individual nor a deviant person but represents a society's model personality. He also held that the performance of an entrepreneur will be influenced by his own attitude towards his occupation, the role expectations held by sanctioning groups and the operational requirements of the job.

**Psychological Drive Theory:** Kilby observed that psychological drive for pecuniary (desire to maximize profits) is an exogenous factor taken to be given which is supposed to be operative in all societies. He further was of the opinion that profit

motive combined with a particular definition of entrepreneurial role provides the highly elastic supply of entrepreneurial services. He strongly believed that given a favorable economic setting, the main function of an entrepreneur is to make decisions under uncertainty.

Hagen's theory shows that entrepreneurial supply can be expected from groups, which experienced 'status withdrawal'. Hoselitz's theory reveals the importance of minority (marginal) groups which in turn display considerable entrepreneurial drive. The theories of Cochran, Young and Kunkel provide good insight into the social processes responsible for the development of entrepreneurial skills in the people. Finally, Kilby's model highlights the environmental, economic variables present are responsible for the demand side of market for entrepreneurship.

Thus, there being multi-faceted dimensions to understand the concepts of entrepreneurship, no single theory can provide all the data or conceptual apparatus necessary to develop the 'Half a Lump' policy and program. Therefore, policy-makers, administrators, organizational theorists, existing entrepreneurs, academicians including researches should consider this and device suitable measures to identify the right type of person, give him the right type of training, provide effective institutional support and device suitable modes of evaluating the impact of such efforts on the development of successful entrepreneurship.

### **Women Entrepreneur**

Globalization and liberalization of markets encouraged women to come forward to become entrepreneurs and start new industries. Cultural mixes, challenges women face in their lives, have changed throughout the world. In this regard both state and central governments have taken more initiatives in developing women entrepreneurs in India. However, the need for more women entrepreneurs has to be studied separately for two main reasons. The first reason is that women's entrepreneurship in an important untapped source of economic growth. The second reason is that the women entrepreneurs create new jobs for themselves and others. They can provide different solutions to management, organization, and business problems. Empirical studies show that women contribute significantly to the running of family business mostly in the form of unpaid effort and skills (India Together News, 2008).

Today business is built around human capital, and women are one of the valuable factors in the task of setting industries. The 21st century has become a knowledgeable society and women are taking part virtually in every field including Information Technology (IT), biotechnology, tourism, banking, manufacturing, and service sectors. It is realized that there is an increased need of economic independence for women. Their participation in remunerative work in the formal and non-formal labor markets has increased significantly in the past decade. Women's income is becoming very necessary to households of all types in the wake of globalization and changing economic scenario. Many of the enterprises run by the women are able to create a successful business out of something as mundane as cooking. Despite being untrained, they were able to make their business a success because of their discipline and commitment (India Together News, 2008).

### **REVIEW OF LITERATURE**

Michael H. Morris, Nola N. Miyasaki, Craig E. Watters, and Susan M. Coombes(2012) states that, In recent years the number of women-owned firms with employees has expanded at three times the rate of all employer firms. Yet women remain underrepresented in their proportion of high-growth firms. A number of plausible explanations exist. To develop richer insights, a two-stage research project was undertaken. The results of both stages suggest that growth is a deliberate choice and that women have a clear sense of the costs and benefits of growth and make careful trade-off decisions.

Candida g. Brush, Nancy m. Carter, Elizabeth j. Gate wood, Patricia g. Greene, & Myra m. Hart (2012) state that the number of women entrepreneurs is rising rapidly and many are creating substantial businesses. For most women-led ventures, growth is funded by personal investment and debt, although a small percentage draws on private equity investment to fuel high growth. The analysis examines the correspondence between bootstrapping and stage of business development. Results show significant differences in the use of bootstrap options utilized by women-led ventures depending on stage of business development. Companies that have not achieved sales were more likely to emphasize bootstrapping to reduce labour, while those companies with greater sales were more likely to minimize cost of operations. Implications for future research and education are suggested.

Kathleen dechant, asya al lamky(2011) pointed that Entrepreneurship has become a defining business trend in many countries throughout the world. The ranks of entrepreneurs contain a sizable contingent of women. This study of the business

start-up experiences of ten Arab women from Bahrain and Oman can serve as a starting point for such research. Although based on a non-representative sample, it suggests that the experiences of the Arab women entrepreneurs studied generally parallel those of their counterparts from other parts of the world with a few distinct differences. These differences relate to securing start-up capital and other resources, networking, and work/family balance. Infused with Arab and Islamic values, the unique cultural milieu played a major role in shaping the entrepreneurial experiences of the Bahraini and Omani business owners studied.

The review of literature reveals that until now the studies have concentrated on issues such as women and problems of gender discrimination, empowerment of women, women education, employment, family living, women and development and analyzed the two roles of women in production and reproduction. However, the assessment of the value of training need and the requirement of women entrepreneurs have to be studied in detail to find out the strengths and weaknesses of the present entrepreneurship education and training. This study is expected to identify the barriers and success factors of women in utility service businesses.

## RESEARCH METHODOLOGY

### Statement of the problem

Entrepreneurship is something should be taken up with passion and courage. It also requires some special skills like doing things preplanned, innovative way and with lot of care and professionalism. The present study is focused on entrepreneurial barriers and success factors in utility services business in Chennai city. It is specific and linked with the natural capacity of women and also not capital intensive. Most of the studies indicated that, Service intensive businesses women are highly successful due to their natural capacity to handle things in a soft way. There are studies on limited services like beauty care, health care diagnostics, Petty shops like tailoring etc. There is no comprehensive study is found covering ten common utility services run by women. Hence, the present study is selected to focus on wide range of utility services engaged by women as an entrepreneurial ventures and study comprehensive issues associated with those and identifying success variables. Hence, it is further a value addition to the existing literature and gives broad understanding on entrepreneurial barriers and success factors in utility services business in Chennai city.

### Objectives of the study

- To identify the barriers of women entrepreneurs in utility service businesses.
- To study the factors motivating the women, to start a business.
- To find out the success factors of women entrepreneurs.
- To assess the relationship between demographical variables of women and dimensions of women entrepreneurship in service sector businesses in the sample area.

### Scope of the study

The study covers only the entrepreneurs operating in Chennai. All these entrepreneurial firms are owned and operated as sole proprietorship concerns. In utility services competition odds emerging from corporate brands, but still, this business is dominated by reasons like cost economies and proximity to the residents. In addition, the trust factor is less on corporate entities with regard to personalized utility services. Word of mouth advertisements are better worked in utility services business rather than media ads. The study covers ten types of utility services like Child care and Day care, Beauty care centers, LIC agency, Tailoring and decorative paintings, Playschool/ nursery school, Currier services, Small savings agency (10), DTP, Xerox and Typing centres, Telephone, STD and Cell Recharge and Catering and event management. These all requires lot of specialized skill and passion to take up and do in a professional way. These services can have direct reflection from the customers. The study covers the whole Chennai.

### Methodology

The study adopted both descriptive and exploratory research methods. Data extraction from the women entrepreneurs in the utility services business is collected through a structured questionnaire and personal interview method. For the purpose of survey, women entrepreneurs are met in person and tried to explain the need for the study. In some occasions, SHG groups also involving in such businesses, but not included in the study. The references were taken from women associations, banks, training centers, district revenue office, block development cell, and utility service providers associations. The sample is



collected from the entire city, by notifying the prominent places in the city. The equal distribution is not ensured and location importance or priority is not given. The time, cost and proximity to the topic is considered while collecting the data. Modern utility cum health care services centres like Spa, ultra modern saloons are exempted from the study. In a similar way franchisee pre schools, nursery schools and day care centers are exempted due to influence of brand and corporate image.

#### **Data collection tools and reliability**

The data required for the analysis is collected from the women entrepreneurs in the sample area through a structured questionnaire. The structured questionnaire is prepared on the basis of review of literature and in consultation with the women entrepreneurs in the utility services business. Initially, a rough draft of the questionnaire is prepared pilot study is conducted with 70 questionnaires. The reliability of the instrument is tested through Corn Bach, Alpha and the value is recorded at 0.92 and found reliable. The individual sections also tested through the same and presented in the following table. The sample size of the study is 478.

#### **Frame work of study:**

The data collected from the women entrepreneurs through a structured questionnaire is tabulated by using MS-Excel spread sheets and uploaded in to SPSS master data sheet and labeled the variables in a clear manner. Later the descriptive statistical tool frequency analysis is made to calculate and grouping the entrepreneurs on the basis of demographical variables. Similarly, for the questions following likert's scale mean values are calculated to measure the significance. In part two of the analysis, inferential statistical tools is used to establish the relationship between the demographic variables and the barriers faced, entrepreneurial gaps, success factors, motivating factors of women entrepreneurs in the utility services business in the sample area. A factor analysis is used to group the barriers, entrepreneurial gaps, success factors and motivating factors of women entrepreneurs in utility service business for better representation of the outcomes. The independent analysis is made to identify the gaps, barriers, success factors associated with the demographical variables among the women entrepreneurs in the utility services business.

#### **Chapter organization**

The present study is divided into five chapters and included the relevant information in a systematic manner. The detailed description of the chapters is as follows.

The first chapter titled as Introduction, includes, the concept of entrepreneurship, theories of entrepreneurship, women entrepreneurs, issues in women entrepreneurship. The second chapter deals with Review of Literature, includes the research related to women entrepreneurship, business models followed by women entrepreneurial ventures and finally the chapter is concluded with the research gap identification. The third unit deals with Research Methodology, having standard items like statement of the problem, objectives of the study, methodology adopted, sample frame and size determination, frame work of analysis, tools used for data analysis, limitations of the study and the scope for further research. Chapter four is titled as Data Analysis and Results Discussion. The present chapter contains introduction to the data analysis, descriptive statistics and inferential statistics used to study. Chapter five titled as Summary of findings, Suggestions and Conclusion. This chapter contains the findings, suggestions and conclusion of the study.

### **DATA ANALYSIS AND RESULTS DISCUSSION**

On the basis of data collected from the sample survey, tabulation was done by using SPSS. Version 23.0, and the necessary analysis are carried out for effective presentation and findings of the research. The basic purpose behind this to found the statistical evidences for the objectives framed and to test the hypothesis formulated for the study. The detailed analysis is done in two parts.

**Table 4.1: Distribution of sample on the basis of marital status of women**

Marital Status of women	Frequency	Percentage
Married	267	55.9
Unmarried	211	44.1
Total	478	100.0

Source: Primary data/Questionnaire.

It is observed from the table 4.1 that the 55.9 percent of the women entrepreneurs are married and the remaining 44.1 percent are unmarried in the sample. It indicates that marriage is not a constraint to the entrepreneurship. The supporting environment from family and social structure existing in the market. Encouraging women in business is a positive node towards social development. Economic empowerment of women can bring lot of value addition to the family and to the society at large. The existing trend in the market is well appreciable and note worthy.

**Table 4.2: Distribution of sample on the basis of Level of Education**

Level of Education	Frequency	Percentage
Middle school	50	10.5
SSLC	65	13.6
HSc	130	27.2
UG	79	16.5
PG	99	20.7
Vocational training	55	11.5
Total	478	100.0

Source: Primary data/Questionnaire.

It is noted from the table 4.2 that the 27.2 percent of the women entrepreneurs are having higher secondary qualification as maximum number in the sample. Only 10.5 percent of the women are having middle school qualification. It indicates that educational qualification has no relation with the entrepreneurial skills and success. The individual attitude and risk taking nature based on his/her financial risk bearing capacity. Educational qualification may give additional level of knowledge and information on the markets and its opportunities. Similarly work experience gives lot of practical inputs on business and its processes. Both are good for its own reasons. The existing climate of entrepreneurial behavior among women is quite appreciable.

**Table 4.3: Distribution of sample on the basis of work experience and training status**

Work experience	Frequency	Percentage
No work experience	134	28.0
Not in the relevant field	62	13.0
Basic training is given	34	7.1
Intensive training is taken	87	18.2
Work is relevant to study	161	33.7
Total	478	100.0

nature of business is recorded at 33.7 percent among the sample indicates that the work experience motivates the women to go for entrepreneurship. Another 28 percent of the sample is engaging entrepreneurship without any work experience. It may be due to ancestral business taken up by the women. Basic training taken from the training institutions and starting business is very low is recorded in the sample. It indicates that training programmes on women entrepreneurship may not be providing good output in terms of converting job seekers to job creators.

**Table 4.4: Distribution of sample on the basis of reason for starting business**

Reason for starting business	Frequency	Percentage
Employ and engage my self	97	20.3
Financial empowerment	117	24.5
Gain business knowledge	177	37.0
Use the learning skills	49	10.3
Employment avenue	38	7.9
Total	478	100.0

Source: Primary data/Questionnaire.



It is noted from the table 4.4, that the reasons for starting business are recorded financial empowerment at 24.5 percent, 37 percent to gain business knowledge, 20.3 percent as employ and engage. On the other hand the least reasons quoted by the firms are Employment Avenue to choose the entrepreneurship. What so ever may be the reason quoted the regular engagement of business is ensured and it is the indicator of success of business.

### **Inferential Statistics:**

Null hypothesis: There is no relationship between work experience and entrepreneurial barriers, success factors of women among the sample.

**Table 4.8: Association between work experience and success rate among the women**

Work experience / Training status		Level of success			Chi value	P value
		Low	Average	High		
No work experience	Count	34	41	59	109.56	0.000**
	% within Work experience	25.4%	30.6%	44.0%		
	% within Level of success	18.5%	25.6%	44.0%		
Not in the relevant field	Count	15	20	27		
	% within Work experience	24.2%	32.3%	43.5%		
	% within Level of success	8.2%	12.5%	20.1%		
Basic training is given	Count	5	28	1		
	% within Work experience	14.7%	82.4%	2.9%		
	% within Level of success	2.7%	17.5%	.7%		
Intensive training	Count	37	17	33		
	% within Work experience	42.5%	19.5%	37.9%		
	% within Level of success	20.1%	10.6%	24.6%		
Work is relevant to study	Count	93	54	14		
	% within Work experience	57.8%	33.5%	8.7%		
	% within Level of success	50.5%	33.8%	10.4%		

Since the p value is less than 0.001, the null hypothesis there is no association between work experience and success rate among the women in utility services industry is rejected at 1% level of significance. Hence, it is inferred that, there is an association between work experience and success rate among the women in utility services industry. Based on mean value high level of success is observed among the no work experience category of women entrepreneurs among the sample. Further it is inferred that the entrepreneurs engaging work relevant to study observed low and average level of success rate in the business.

Null hypothesis: There is no relationship between nature of business and entrepreneurial barriers, success factors of women among the sample.

### **SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION**

Based on the result analysis some of the findings are presented in the following pages for the brief understanding of the women entrepreneurial barriers and success factors in utility service businesses in the sample area.

### **FINDINGS OF THE STUDY:**

- 55.9 percent of the women entrepreneurs are married and the remaining 44.1 percent are unmarried in the sample. It indicates that marriage is not a constraint to the entrepreneurship. The supporting environment from family and social structure existing in the market. Encouraging women in business is a positive node towards social development. Economic empowerment of women can bring lot of value addition to the family and to the society at large.

- 27.2 percent of the women entrepreneurs are having higher secondary qualification as maximum number in the sample. Only 10.5 percent of the women are having middle school qualification. It indicates that educational qualification has no relation with the entrepreneurial skills and success. The individual attitude and risk taking nature based on his/her financial risk bearing capacity. Educational qualification may give additional level of knowledge and information on the markets and its opportunities. Similarly work experience gives lot of practical inputs on business and its processes.
- Women entrepreneurs are having work experience relevant to the nature of business is recorded at 33.7 percent among the sample indicates that the work experience motivates the women to go for entrepreneurship. Another 28 percent of the sample is engaging entrepreneurship without any work experience. It may be due to ancestral business taken up by the women. Basic training taken from the training institutions and starting business is very low is recorded in the sample. It indicates that training programmes on women entrepreneurship may not be providing good output in terms of converting job seekers to job creators.
- 33.9 percent of the women entrepreneurs are registered as private limited companies, 24.3 percent are unregistered sole proprietorship firms and the only 6.1 percent are unregistered partnership firm model is observed among the sample. The notable feature is 13.4 percent of the women doing business as SHG model and it is increasing day by day. The prime reason for this may be the group loans issued by banks to SHGs in easy way. In addition, the government is also encouraging the SHG model for entrepreneurship ventures due to risk mitigation.
- 53.1 percent of the sample respondents are established their ventures between 2006-2010 and it was fallen down after 2015. This may be due to heavy establishment expenditure and maintenance costs of the businesses. The primary reason behind the sudden up and fall indicates the environmental changes happening in the business climate in the sample area. Business cycles and the economic slowdown all over the country after 2016 had impact on business firms and also on the entrepreneurial environment.
- The reasons for starting business are recorded financial empowerment at 24.5 percent, 37 percent to gain business knowledge, 20.3 percent as employ and engage. On the other hand the least reasons quoted by the firms are Employment Avenue to choose the entrepreneurship. What so ever may be the reason quoted the regular engagement of business is ensured and it is the indicator of success of business.

## SUMMARY AND CONCLUSION

A prerequisite for nurturing Entrepreneurship is the creation of a favorable business environment. This goal is at the heart of India's economic liberalization initiatives. The key parameters of a conducive business environment include smooth flow of information; ease of starting a business and obtaining various clearances and permits; ease of filling taxes; an efficient legal system; enabling legislations and regulations; absence of corruption; and world-class infrastructure facilities. The present study finds that, majority of the women entrepreneurs are selecting the business relevant to their study (33.7 percent); The number of women ventured into business is between 2016-2020. It can be called as golden period for women entrepreneurial ventures. One key observation is 60 percent of the utility service businesses run by women entrepreneurs are reported very low level of annual turnover of below Rs.50000 among the sample. Child care and day care centres occupy the major choice of utility service firms in the sample area. 34 percent of the firms registered as private limited firms and 64 percent of the firms have no employees, and started with an intention to gain business knowledge.

Registered proprietorship firms are highly motivated entrepreneurs and gave many suggestions for the success of the women in utility services industry. High level of entrepreneurial gaps is observed among unregistered partnership firms. Private limited firms and SHG model firms are getting more supporting measures form different sources among the sample. The over all success is observed at high among the registered proprietorship firms among the sample. High level of success is observed among the no work experience category of women entrepreneurs among the sample. Further it is inferred that the entrepreneurs engaging work relevant to study observed low and average level of success rate in the business. Unregistered proprietorship firms are observed high level of success in utility services industry. And finally, high level of success is observed among the women engaged business with an intention to get financial empowerment among the sample.

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# CREDIT RISK MANAGEMENT OF BANKS IN INDIA: A PERCEPTIONAL STUDY AMONG THE SELECTED BANK EXECUTIVES FROM CHENNAI

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## ABSTRACT

The global economies feel that the financial institutions have been equivalent of a high velocity roller coaster ride for the past couple of years. We have seen major ups and downs, with twists and turns along the way. The Indian banks are not an exception. The issue of Non Performing Assets (NPAs), the origin of the global financial crisis just like a roller coaster ride does, has left some with a rush of adrenaline and others feeling sick. The increasing level of credit risk demands the necessity of provisions at the cost of profit margin and banks market value. The various studies had discussed the issue of Non Performing Assets under many deliberations all over the world the problem is not only affecting the banks but the economy as whole. The wealth, health & financial status of the industry and trade is the reflection of Non Performing Assets in Indian Banks. The accumulating credit risk exposes the banks to the credit risk, arising due to the failure of non recovery of loans from the borrowers. Though complete elimination of losses due to credit risk is not possible but banks can always aim to keep the losses at a lower level.

## INTRODUCTION

The Indian banking has come a large way from being a sleepy business institution to a highly proactive and dynamic entity. This transformation has largely brought about by the large dose of liberalization and economic reforms that allowed banks to explore new business opportunities rather than generating revenues from traditional streams. Indian economic policy has been founded on the philosophy of economic growth with social justice. India's banking system has several outstanding achievements to its credit. The prime feature is its reach. According to traditional banking theory, the credit worthiness of a person is based on the tangible assets owned by him. The result is that the people who have money can get more money from the banks. This concept does not fit in without objective of social justice which states that the importance of bank finance should go to make people credit worthy through productive efforts. In fact, technical competency of the borrower, operational flexibility and economic viability of the project rather than the security which the borrower can offer are gradually becoming popular among the banking industry in evaluating loan proposal. The journey of the origin of the banking industry in India has established in 1786.

## OVERVIEW OF PUBLIC SECTOR BANKS (PSBS)

As per the Reserve Bank of India (RBI), India's banking sector is sufficiently capitalised and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well. Indian banking industry has recently witnessed the roll out of innovative banking models like payments and small finance banks. RBI's new measures may go a long way in helping the restructuring of the domestic banking industry. The digital payments system in India has evolved the most among 25 countries with India's Immediate Payment Service (IMPS) being the only system at level five in the Faster Payments Innovation Index (FPII).

**Merger of Public Sector Banks in India**

Government of India (GoI) has consolidated 10 Public Sector Banks into 4 banks. The announcement of this mega-merger was made by Union Finance Minister Nirmala Sitharaman in 2019. However, RBI notified it in the late March through its circular to merge banks in the new financial year (1st April 2020). As per the finance minister, the merger would help to manage the capital more efficiently. The amalgamation of the PSBs is based on bad loans intensity and regional factors. After these mergers, the country is having a total of 12 public sector banks, including State Bank of India (SBI) and Bank of Baroda. This will result in seven large public sector banks and five smaller ones. There were as many as 27 PSBs in 2017. What's also noteworthy is the fact that the government had infused capital worth more than Rs 55,000 crores into public sector banks (PSBs). The government move to reduce the number of Public Sector Banks from the existing 21 to 12 is for creating 3-4 global sized banks. Also, customers including depositors of merging banks will be treated as customers of the banks in which these banks have been merged.

**Table-1: Merger List of PSU Banks in India 2020**

Sl. No	Acquirer Banks	Banks to be Merged
1.	Punjab National Bank(PNB)	Oriental Bank of Commerce and United Bank of India
2.	Indian Bank	Allahabad Bank
3.	Canara Bank	Syndicate Bank
4.	Union Bank of India	Andhra Bank and Corporation Bank

**Non-Performing Assets of Public Sector Banks**

The quality of Indian banks assets is likely to deteriorate over the next two years. This will be driven by the slowdown in the economy, and by the aging of loans made in recent years. The NPAs are considered as an important parameter to judge the performance and financial health of banks. The level of NPAs is one of the drivers of financial stability and growth of the banking sector. The Financial companies and institutions are nowadays facing a major problem of managing the Non Performing Assets (NPAs) as these assets are proving to become a major setback for the growth of the economy. NPAs in simple words may be defined as the borrower does not pay principal and interest for a period of 180 days. However, it is taken into consideration now that default status would be given to a borrower if dues are not paid for 90 days. If any advance or credit facility granted by the bank to a borrower becomes non-performing, then the bank will have to treat all the advances/ credit facilities granted to that borrower as non-performing without having any regard to the fact that there may still exists certain advances / credit facilities having performing status.

**Credit risk Management**

According to the Basel Accord, a global regulation framework for financial institutions, credit risk is one of the three fundamental risks a bank or any other regulated financial institution has to face when operating in the markets (the two other risks being market risk and operational risk). As the 2008 financial crisis has shown us, a correct understanding of credit risk and the ability to manage it are fundamental in today's world. Credit risk refers to the probability of loss due to a borrower's failure to make payments on any type of debt. Credit risk management is the practice of mitigating losses by understanding the adequacy of a bank's capital and loan loss reserves at any given time – a process that has long been a challenge for financial institutions.

Credit risk is the potential that a bank borrower or a group of borrowers will fail to meet its contractual obligations and the future loss associated with that. For most banks, loans are the largest and most obvious source of credit risk. However, other sources of credit risk exist throughout the activities of a bank, including the banking book and trading book, and both on and off the balance sheet. Banks are also increasingly facing credit risk in various financial instruments other than loans, including acceptances, interbank transactions, trade financing, foreign exchange transactions, financial futures, swaps, bonds, equities and options, in the extension of commitments and guarantees, and the settlement of transactions. Since the exposure to credit risk continues to be the leading source of problems in banks worldwide, banks and their supervisors should be able to draw useful lessons from the experiences. Banks should now have a keen awareness of the need to identify, measure, monitor and control credit risk as well as to determine that they hold adequate capital against these risks and that they are adequately compensated for risks incurred.



## Credit Risk Management of Banks in India

Credit Risk Management (CRM) has a systematic analysis of various forms of risks that influence or has likely to influence the repayment of loan given by the bank. The issue of effective credit risk management in banks has brought in focus due to global financial crisis. It has imperative for a bank in particular and for banking system in general to regularly monitor and review the CRM practices (Colquitt, 2007). A sound credit risk management has built upon a good-quality portfolio of performing assets. CRM of financial institutions represents all policies and procedures those financial institutions have implemented to manage, monitor and control their exposure to risk (Vasile and Nechif, 2010). The proper credit risk architecture, policies and framework of credit risk management, credit rating system, monitoring and control has been contributed in success of credit risk management system (Bodla & Verma, 2009). According to them, market conditions and company structures are different; credit risk management should be adjusted by institutions to comply with their needs and circumstances.

**Need of credit risk management:** There are many existing tools and basic principles of management theory of credit risk management in Indian Commercial Banks; there is always scope for improvement and correction. Banks are investing a lot of funds in credit risk. Credit risk management is very important to banks as it is an integral part of the loan process. It minimizes bank risk, adjusted risk rate of return by maintaining credit risk exposure with view to shielding the bank from the adverse effects of credit risk. So strong and depth study of credit risk management give strengthening the risk control management in Indian commercial banks.

### Recent Developments and Ways to Tackle CREDIT RISK and Bad loans

- **Insolvency and Bankruptcy Code (IBC)** – With the RBI’s push for the IBC, the resolution process is expected to quicken while continuing to exercise control over the quality of the assets. There will be changes in the provision requirement, with the requirement for the higher proportion of provisions going to make the books better.
- **Credit Risk Management** – This involves credit appraisal and monitoring accountability and credit by performing various analyses on profit and loss accounts. While conducting these analyses, banks should also do a sensitivity analysis and should build safeguards against external factors.
- **Tightening Credit Monitoring** – A proper and effective Management Information System (MIS) needs to be implemented to monitor warnings. The MIS should ideally detect issues and set off timely alerts to management so that necessary actions can be taken.
- **Amendments to Banking Law to give RBI more power** – The present scenario allow the RBI just to conduct an inspection of a lender but don’t give them the power to set up an oversight committee. With the amendment to the law, the RBI will be able to monitor large accounts and create oversight committees.
- **More “Haircuts” for Banks** – For quite some time, PSU lenders have started putting aside a large portion of their profits for provisions and losses because of NPA. The situation is so serious that the RBI may ask them to create a bigger reserve and thus, report lower profits.
- **Stricter NPA recovery** – It is also discussed that the Government needs to amend the laws and give more power to banks to recover NPA rather than play the game of “wait-and-watch.”
- **Corporate Governance Issues** – Banks, especially the public sector ones, need to come up with proper guidance and framework for appointments to senior-level positions.
- **Accountability** – Lower-level executives are often made accountable today; however, major decisions are made by senior-level executives. Hence, it becomes very important to make senior executives accountable if Indian banks are to tackle the problem of NPAs.
- **The banks should also consider “raising capital” to address the problem of NPA.**
- **Using unclaimed deposits** – Similar to provisions for unclaimed dividends, the government may also create a provision and transfer unclaimed deposits to its account. These funds, in return, can be transferred to banks as capital.
- **Monetization of assets held by Banks** – In this case, banks with retail franchisees should create value by auctioning

a bank assurance association rather than running it themselves as an insurance company. The current set-up blocks capital inflows and doesn't generate much wealth for the owners.

- Make Cash Reserve Ratio (CRR) attractive – At present, the RBI asks Indian banks to maintain a certain limit on CRR on which the RBI doesn't pay interest. Hence, banks lose out a lot on interest earnings. If the CRR is made more financially rewarding for banks, it can reduce capital requirements.
- Refinancing from the Central Bank – The US Federal Reserve spent \$700 billion to purchase stressed assets in 2008-09 under the "Troubled Asset Relief Program." Indian banks can adopt a similar arrangement by involving the RBI directly or through the creation of a Special Purpose Vehicle (SPV).
- Structural change to involve private capital – The compensation structure and accountability of banks creates a problem for the market. Banks should be governed by a board while aiming to reduce the government's stake and making the financial institutions attractive to private investors.

With the potential solutions above, the problem of NPAs in Indian banks can be effectively monitored and controlled, thus enabling the banks to achieve a clean balance sheet.

## **REVIEW OF LITERATURE**

The researcher had reviewed 240 reviews of literatures and various studies to identify the gap and observations of other authors on the issue of Non Performing Assets an agenda which is the need of the hour for the banking industry. The news, statements and research works related to the NPAs management is still being an agenda for discussion and many had put forth their recommendations to curb, manage and to minimize the level of NPAs in Indian banks with special note to public sector banks. RBI has been insisting on banks to utilize various measures on recovery of bad loans and strengthen due diligence. A major reason for deterioration in the asset quality of banks is the lack of effective timely information exchange among banks on credit, derivatives and un-hedged foreign currency exposures. (Sashidaran 2013). The accumulated and enormous level of NPA in post-liberalization period forced policy makers to reform banking sector.

Kumar (2006) studied the bank nationalization in India marked a paradigm shift in the focus of banking as it was intended to shift the focus from class banking to mass banking. Internationally also efforts are being made to study causes of financial inclusion and designing strategies to ensure financial inclusion of the poor disadvantaged. The banks also need to redesign their business strategies to incorporate specific plans to promote financial inclusion of low income group treating it both a business opportunity as well as a corporate social responsibilities. Reddy (2004) critically examined various issues pertaining to terms of credit of Indian banks. In this context, it was viewed that the element of power has no bearing on the illegal activity. A default is not entirely an irrational decision. Rather a defaulter takes into account probabilistic assessment of various costs and benefits of his decision.

Amran, et al. (2009), explored the availability of risk disclosures in the annual reports of Malaysian companies.. The findings of the research revealed that the strategic risk came on the top, followed by the operations and empowerment risks being disclosed by the selected companies. The regression analysis proved significantly that size of the companies did matter.

Hassan, (2009), made a study "Risk Management Practices of Islamic Banks of Brunei Darussalam" to assess the degree to which the Islamic banks in Brunei Darussalam implemented risk management practices and carried them out thoroughly by using different techniques to deal with various kinds of risks. The results of the study showed that, like the conventional banking system, Islamic banking was also subjected to a variety of risks due to the unique range of offered products in addition to conventional products. The results showed that there was a remarkable understanding of risk and risk management by the staff working in the Islamic Banks of Brunei Darussalam, which showed their ability to pave their way towards successful risk management.

Thiagarajan et al., (2011) analyzed the role of market discipline on the behavior of commercial banks with respect to their capital adequacy. The study indicated that market forces influence the bank's behavior to keep their capital adequacy well above the regulatory norms. The Non-Performing Assets significantly influenced the cost of deposits for both public and private sector banks. The return on equity had a significant positive influence on the cost of deposits for private sector banks. The public sector banks could reduce the cost of deposits by increasing their tier-I capital.

### **Research gap:**

In India, NPA were very high in the beginning of 90's. Over a period of time there is considerable decline in the NPA's of all banks. As of March 31, 2018, provisional estimates suggest that the total volume of gross NPAs in the economy stands at Rs



10.35 lakh crore. About 85% of these NPAs are from loans and advances of public sector banks. For instance, NPAs in the State Bank of India are worth Rs 2.23 lakh crore. The government said the Non Performing Assets (NPAs) of Public Sector Banks (PSBs) stood at Rs 7.27 trillion as on September 30, 2019. Union Minister of State for Finance Anurag Thakur also said in Lok Sabha that scheduled commercial banks and select financial institutions have reported frauds to the tune of Rs 1,13,374 crore in the first half of the current financial year.

As a result of transparent recognition of stressed assets as NPAs, gross NPAs of PSBs, as per RBI data on global operations, rose from Rs 2,79,016 crore as on March 31, 2015, to Rs 6,84,732 crore as on March 31, 2017 and Rs 8,95,601 crore as on March 31, 2018. As a result of Government's strategy of recognition, resolution, recapitalization and reforms, have since declined by Rs 1,68,305 crore to Rs 7,27,296 crore as on September 30, 2019. systematic and comprehensive checking, including of legacy stock of NPAs of PSBs, for frauds under the framework has been taken note of by the Reserve Bank of India (RBI) in its Financial Stability Report of December 2019, where it has observed that this has helped unearth frauds perpetrated over a number of years. This is reflected in the increased amount involved in frauds of Rs. 1 lakh and above, reported by Scheduled Commercial Banks and select financial institutions, from Rs 23,934 crore in the financial year (FY) 2016-17 to Rs 41,167 crore in FY2017-18, Rs 71,543 crore in FY2018-19, and Rs 1,13,374 crore in the first half of the current financial year. This indicated the quantum of loan assets become NPAs and credit risk associated with it. Hence, an effective credit risk management is need of the hour apart from the comprehensive review of the existing credit risk management in the public sector banks.

## RESEARCH METHODOLOGY

### Need for the study

The various authors have done their research on the management of Non-performing assets of public sector banks, private sector banks, cooperative banks, NBFCs. Indeed the researcher has noticed similarities and dissimilarities in the various studies mostly following the same pattern of analyzing the cause and impact of NPAs of banks in India. All the studies are with reference to the factors which are already identified by the RBI and BIS. Moreover, the authors had used mostly the secondary data from the banks statements and RBI publications for analyzing the NPAs of PSBs. In spite of legal framework and regulatory bodies dictating and governing the bank's asset portfolio quality, still the level of the NPAs are high comparatively in PSBs than private and foreign banks. As the need of the time it is necessary to regain the trust of financial institutions the study on the origination and the management of such NPAs is taken up. The thumb rules of Indian public sector banks are that "the NPAs cannot be eliminated but it can be minimized if carefully handled." The researcher wants to take up a study to identify the areas of carelessness generating the NPAs of the bank and analyze such factors to get a fair view of these related issues.

### Statement of the Problem

In a fast changing banking environment of today the very survival of a banking organization depends on level of the income generated through optimum use of assets after paying the cost of funds for acquiring them and other administrative costs involved therein. Once the assets cease to contribute the income, they are termed as Non Performing Assets, which not only have cost of funds involved but also require to be operated as per prudential norms. One of the major problems being faced by banks and financial institutions in India is that of bad debts termed as "Non Performing Assets" (NPA). There are many reasons for the sorry state of affairs and major among them are 1) Indirect Political interference, 2) Poor enforcement of policies 3) Archaic laws and procedures, 4) Corruptions at various levels and competition in various banking institutions. 5) Flow of Funds etc. After considering the importance of various strategic affairs in Indian banking industry it is felt necessary to carry out a study entitled "Credit Risk Management of Banks In India: A Perceptual Study among the Selected Bank Executives from Chennai".

### Objectives of the Study

The study basically aims at establishing a linkage between internal efforts of bank in the form of credit risk practices and growth of NPAs and credit risk. In other words, growth in NPAs can be checked considerably if bank and financial institutions have suitable internal credit risk management arrangements. The study is related to internal systems, procedures and practices, for monitoring of NPAs and mitigation of credit risk from the same. The research work has undertaken to identify the strategies to manage and mitigate the credit risk of selected public sector banks with the specific objectives, they are as follows:

- To examine the status of credit risk in banking sector in India.
- To find out the factors /reasons for higher level of credit risk in the public sector banks.

- To know the issues in the implementation of credit risk management among Public Sector Banks.
- To study the organizational factors of credit risk management of public sector banks.
- To identify the best measures to control credit risk among the public sector banks.

## RESEARCH METHODOLOGY

A hybrid research methodology is adopted for the purpose of this study. Descriptive research methodology is adopted to know the banking sector climate and credit risk management practices of banking sector. An exploratory approach is followed to dig out the internal affairs of banking to know the difficulties in the credit risk management in banks. Methodology relates to plan of study, which includes steps of data collection, types of questionnaires, process of data and finally interpretation of data. Data is collected from Public sector bank branches located in and around Chennai. Present study is an outcome of survey in the sample area. The sample for survey is public sector bank branches presently functioning in Chennai Tamilnadu have been selected on the basis of convenience of the respondents.

### Sampling of Banks:

The number of total scheduled commercial banks in India is 57, in which Public Sector Banks are 27. The total number of Public Sector Bank branches located in Chennai is 1266. The study covers 200 branches including all the public sector banks on convenience sampling basis aggregating 15.80% public sector bank branches functioning in Chennai, Tamilnadu. One fourth of the banks operating in Chennai city is taken up for the study i.e  $(1266 \times 25\%) = 316.5$  and rounded off to 317.

### Data collection methods and instrument design

Primary data was collected through structured questionnaire from the executives of a bank from public sector banks. The instrument is tested through pilot study is conducted to improve the validity of the questionnaire with 95 samples and the reliability is measured with Corn Bach's alpha and found as 0.8953 suitable for the purpose of study. The detailed results of the reliability test are presented below.

**Table-2: Data collection instrument and Reliability**

S.No	Description	No.ofitems	Alpha value
1	Part-I profile of the banking sector and credit risk management climate.	12	0.8817
2	Part-II credit risk management related information and follow up	12	0.8999
3	Part-III Appraisal Reasons for credit risk management in banks	17	0.8715
4	Part-IV Sanction and disbursement reasons for credit risk in banks	08	0.8722
5	Part-V Post disbursement reasons for credit risk in banks	13	0.8594
6	Part-VI difficulties in the credit risk management practice in banks	15	0.8975
7	Part-VII Perceptions on suggestions of credit risk issues in banks	15	0.8358

The overall reliability of the questionnaire is represented by the Corn Bach's alphas is 0.8953 and found reliable to proceed with the data collection. Since the study is related to credit risk concerning banks it was obvious to rely on the secondary data in the published form which is extensively used for the purpose of the study. The Annual reports from 2011 to 2019, RBI publications, Notifications, Journals, circulars on credit risk management, Websites etc.

### Statistical tools used

Entire data related to credit risk management is financial in nature which required careful scrutiny for which relevant statistical tools have been utilized as per the need of the study. The data is analysis is carried out by using SPSS version 17. In the process of the above analysis, the study has adopted statistical techniques in order to get the interpretable solutions. Both parametric and non parametric tests are used in the study. Chi-Square test has been made in order to record the variation in the level credit risk management adoption and implementation in banks in the sample.

### Limitations of the study

The study covers only Chennai and its suburban branches for the purpose of survey. The survey is restricted to normal affairs of the credit risk management in banks. The sample size is ensured to relay on the findings of the study. However the policy of the government and RBI is keep on changing and there by a concrete answer is not able to given by majority of the respondents in the survey. The level of accuracy of the data given in questionnaire may have some percentage of personal bias.

### Scope for further Research

The present study covers all the aspects relating to credit management and internal affairs of the NPAs management in banks. The types of risks covering in the banking sector may have some degree of influence on the banking and its relevance to level of NPAs. A comprehensive study on that dimension can be a value addition to the existing literature. The behavioural aspects of banking and administration, policy making and collection of credit can also be the interesting areas of research pertaining to credit risk management in banks. A cross country comparison of the Asian countries can help to understand the deficiencies in the management of loan accounts among PSBs in the county.

### Data Analysis and Results discussion

#### Findings of the Study

Based on the data analysis of selected public sector banks the researcher has observed the following findings -

According to the feedback from senior Bank officers the incomplete loan appraisal system, the type of loan to the category of borrowers, improper verification of documents as per KYC, and short of post disbursement activities are the major factors contributing to NPAs in the banks. The percentage of NPAs that recovered through Lok adalats, DRTs, SARFESI act and one time settlement is found increasing in recent times. The collateral securities accepted by the banks against the loans sanctioned are inadequate and in many cases the property are not viable and saleable. The reason why the banks are not able to analyze the worth of the property given as collateral for the loan taken is lacking of knowledge on the appraisal of various kinds of assets, securities and market value fluctuations of collateral properties.

The PSBs majority of the loan is extended to the corporates, and most proportion of 76% to the priority sector, where the government schemes and subsidies are high and 90% chance of getting default. The corporate loans are immediately approaching the Asset restructuring cells immediately on the alert signal of going default. The research has also found that the PSBs are able to recover the outstanding loan above 1-3 years at a level of 21% through appointing the recovery agents and only 9% in case of filing the suit against the borrower but it significantly success in recovering the loans at 56% when the banker meet the borrower in person and discussion the compromise settlements schemes.

The PSBs are yet to build a strong Credit department team with skill and experience and also with proper training in processing the loan documents, sanctioning and post sanction monitoring. Credit to priority sector have higher NPAs, due to increase in outstanding amount in priority sector the banks face problems in further disbursement and increase their profitability.

#### Suggestions, Recommendations and Conclusion

The PSBs have to study the problems of NPAs branch wise and age wise, should prepare a loan recovery policy for NPA. Each bank should create special recovery cell at various levels for effecting timely recovery to improve the recovery status of the account. The banks have to maintain a regular contact with borrowers to ensure close monitoring of loan accounts and updating of clients profile with strong management information system among loans, operations and recovery departments. The banks have to be careful on the doubtful nature of operations in the account, overdraft, low rating score and persistent default which are considered as early warning signals (EWS).

Bank should adherer (Know Your Customer) Norms for identification of borrower, guarantor and verification of their address to minimize the risk of default in case of housing sector lending. In respect of agriculture advances, recovery camp should be organized during the harvest season. The RBI and the other regulatory bodies should relax the provisioning norms on the standard assets as the provisions are made out of the current profit.

The credit monitoring system need to be improvised to handle compromise settlement processes for the recovery of the outstanding loans categorized as NPAs. The system should develop a strategy wherein to identify the borrowers deliberately calling for compromise to get the benefit of cut down interest rate. The Public Sector Banks should avoid outsourcing the scrutinisation of loan applications and the recovery process as leads to enormous careless, mistakes ending with bad borrowers becoming bad. To avoid the cause of such recovery agents the bank should design a strategy of introducing incentives and rewards for the team of employees achieving the said recovery targets.

The credit department of the Public Sector Banks should be revamp with skilled and specialized officers trained in credit appraisal, recovery of dues to avoid external recovery agents. A credit audit system should be implemented by the banks start from review of loan application till the recovery of the loans. The public Sector banks should have internal rating agencies to rate the borrowers in all aspects of credit proposal. The banks should design a new MIS on performance of various sector of economy for better credit appraisal system.

**Conclusion**

Non Performing Assets are global issue for all banks irrespective of the sector. It originates from lethargic sanction of loans and failure in recovery. In the study undertaken, it is found the major loss on account of credit risk is caused by public sector banks compare to private sector banks. There are common features responsible for credit risk in selected banks are observed as lack of supervision, political interference, willful defaulters, diverted use of funds, internal and external causes, fraudulent approach of borrowers, irresponsible attitude of officers and poor appraisal system. Thus credit risk is a threat to the existence of bank. Default on account of big borrowers is a problem in recovery for public sector banks. The quality of standard assets is important factor in determining NPA. The process of maintaining the quality of the assets starts from appraisal stage, sanctioning of loan, post disbursement activities, efficient use of legal norms, which strengthen the recovery process resulting in minimum level of credit risk in banks.

The legal environment and the norms of RBI, BIS, credit risk management and BASEL should strongly support and effectively monitor the follow-up of such norms by the public sector banks. It is preferable to opt for a structured model to handle risky assets separately. The crucial factor is to quickly identify the problem and approach professionally utilizing the effects and impacts out of the past experience prudently and pragmatically.

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# SERVICE QUALITY OF E-COMMERCE PORTALS IN INDIA: A STUDY WITH SPECIAL REFERENCE TO WOMEN CUSTOMERS FROM CHENNAI

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## ABSTRACT

The online business industry is well established in India. And, everyday some or the other new player is taking a plunge. Though, a major contribution to its growth is provided by e-commerce industry. Even so, not many understand the intricacies involved in e-commerce industry. By definition e-commerce stands for electronic commerce. Dealing in goods and services through the electronic media and internet is called as E-commerce. E-Commerce or E-business involves carrying on a business with the help of the internet and by using information technology like Electronic Data Interchange (EDI).

## INTRODUCTION TO THE STUDY

The online business industry is well established in India. And, everyday some or the other new player is taking a plunge. Though, a major contribution to its growth is provided by e-commerce industry. Even so, not many understand the intricacies involved in e-commerce industry. By definition e-commerce stands for electronic commerce. Dealing in goods and services through the electronic media and internet is called as E-commerce. E-Commerce or E-business involves carrying on a business with the help of the internet and by using information technology like Electronic Data Interchange (EDI). It relates to a website of a vendor selling or providing services directly from its portal to the customers. They use a digital shopping cart system and allow payment through credit card, debit card or electronic fund transfer payments. The e-commerce industry helps in reducing costs in managing orders while also interacting with a wide range of suppliers and trading partners. It also involves any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact.

With the evolution of technology and increase in consumerism all over India, e-commerce is riding the high tide in online business. Today, the total number of internet users in the world is close to 3 billion, out of this India has a total of 259.14 million internet and broadband subscribers. Easy access to internet via mobile devices coupled with increasing confidence of the customers to purchase online is leading the way. Because of this, increasing number of people are registering on e-commerce websites and purchasing products through the use of cell phones. According to a report, annual growth rates in leading e-commerce markets of Japan, South Korea and Australia will run at 11% to 12% over the few years. In retrospect, the rapidly growing market of China and India is 25% and 57% respectively.



**Concept of E-commerce in India**

Multi product E-commerce – Some e-commerce portals provide almost all categories of goods and services under one roof, targeting customers of every possible products and services. Indian e-commerce portals provide products like apparel and accessories for men and women, health and beauty products, books and magazines, computers and peripherals, vehicles, collectibles, software, consumer electronics, household appliances, jewellery, audio/video entertainment goods, gift articles, real estate and services, business and opportunities, employment, travel tickets, matrimony. Single Product E-commerce – Automobiles sector portals providing selling and buying of vehicles including two wheelers, comes under this. Stocks and share market sites, also offers their services through these types of portals, with options for comparisons and research. Other major industries offering their products and services are real estate and travel and tourism. Besides these, matrimony and employment websites are a big hit across India.

**Origin and growth of E-Commerce Portals**

E-commerce has transformed the way business is done in India. The Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion as of 2017. Much of the growth for the industry has been triggered by an increase in internet and smart phone penetration. The ongoing digital transformation in the country is expected to increase India's total internet user base to 829 million by 2021 from 636.73 million in FY19. India's internet economy is expected to double from US\$ 125 billion as of April 2017 to US\$ 250 billion by 2020, backed primarily by E-commerce. India's E-commerce revenue is expected to jump from US\$ 39 billion in 2017 to US\$ 120 billion in 2020, growing at an annual rate of 51 per cent, the highest in the world. Propelled by rising smart phone penetration, launch of 4G net work and increasing consumer wealth, the Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017. Online retail sales in India is expected to grow 31 per cent to touch US\$ 32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall. Smartphone shipments in India increased eight per cent y-o-y to reach 152.5 million units in 2019, thereby making it the fastest among the top 20 smart phone markets in the world. Internet penetration in India grew from just 4 per cent in 2007 to 52.08 per cent in 2019, registering a CAGR of 24 per cent between 2007 and 2019. The number of internet users in India is expected to increase from 687.62 million as of September 2019 to 829 million by 2021.

**Investments/ Developments**

Some of the major developments in the Indian e-commerce sector are as follows: In January 2020, Divine Solitaires launched its E-commerce platform. In February 2020, Flipkart set up a 'Furniture Experience Center' in Kolkata, its first offline presence in eastern India. In April 2020, Reliance Industries (RIL) started home delivery of essentials in partnership with local kirana stores in Navi Mumbai, Thane and Kalyan. In April 2020, Swiggy received an additional US\$ 43 million funding as part of its ongoing Series I round. In May 2020, PepsiCo India partnered with Dunzo for its snack food brands that include Lay's, Kurkure, Doritos and Quaker. In May 2020, chocolate maker Hershey India partnered with Swiggy and Dunzo to launch their flagship online store in order to increase reach. In Union Budget 2020-21, Government has allocated Rs 8,000 crore (US\$ 1.24 billion) to BharatNet Project to provide broadband services to 150,000-gram panchayats. In August 2019, Amazon acquired 49 per cent stake in a unit of Future Group. Reliance will invest Rs 20,000 crore (US\$ 2.86 billion) in its telecom business to expand its broadband and E-commerce presence and to offer 5G services. In September 2019, PhonePe launched super-app platform 'Switch' to provide a one stop solution for customers integrating several other merchants apps. In November 2019, Nykaa opened its 55th offline store marking success in tier II and tier III cities.

**Achievements in E-Commerce in India**

Internet subscribers reached 687.62 million till September 2019. In the festive sale (September 29-October 4, 2019), E-tailers in India achieved US\$ 3 billion of Gross Merchandise Value (GMV). Unified Payments Interface (UPI) recorded 1.25 billion transactions in March 2020, valued at Rs 2.06 lakh crore (US\$ 29.22 billion). Internet Saathi project benefitted over 26 million women in India which reached 2.6 lakh villages and 20 states. Under Digital India movement, Government launched various initiatives like Udaan, Umang, Start-up India Portal. Udaan, a B2B online trade platform that connects small and medium size manufacturers and wholesalers with online retailers and provide them logistics, payments and technology support, has sellers



in over 80 Indian cities and delivers to over 500 cities. The Government introduced Bharat Interface for Money (BHIM), a simple mobile based platform for digital payments.

### Future Prospects

The E-commerce industry has been directly impacting micro, small & medium enterprises (MSME) in India by providing means of financing, technology and training and has a favourable cascading effect on other industries as well. Indian E-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second largest E-commerce market in the world by 2034. Technology enabled innovations like digital payments, hyper-local logistics, analytics driven customer engagement and digital advertisements will likely support the growth in the sector. The growth in E-commerce sector will also boost employment, increase revenues from export, increase tax collection by ex-chequers, and provide better products and services to customers in the long-term. Rise in smart phone usage is expected to rise 84 per cent to reach 859 million by 2022. Online retail sales in India are expected to grow by 31 per cent to US\$ 32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall. Electronics is currently the biggest online retail sales category with a share of 48 per cent, followed closely by apparel at 29 per cent. E-Commerce has made it easier for top American brands to reach Indian customers and has emerged as one of the fast-growing trade channels available for the cross-border trade of goods and services. Several categories including lifestyle products, consumer electronics, clothing, footwear, jewelry and accessories, health and beauty, household goods, art and collectibles, event tickets and online music are doing well for online sales.

### E-Commerce Services

There is a new trend of emerging e-Commerce aggregators aiming to digitize several offline services to create a convenient ecosystem for consumers. The following table shows the major players in e-commerce portals

**Table-1: Major E-commerce portals in India**

Sector/product	e-commerce portals
Tourism:	MakeMyTrip; Goibibo; Yatra; IRCTC
Education	EduKart; Meritnation, rankguru,khan academy, coureera, mycourses,
Healthcare	Portea; Healthkart, practo,
Entertainment	Netflix; bookmyshow, youtube, Firstshow, Cinemaone.
Real estate	MagicBricks; Housing, 99 acres, Indiaproperty, nobroker.com, olx
Fin-tech	PayTM, Freecharge, PayUmoney, Mobikwik, PhonePe
Fashion and accessories	Myntra, Koovs
Baby products	FirstCry, babysWorld, Hopscotch, Babyoodles, justborn, newborn
Groceries	Bigbasket
Home furnishings	Pepperfry, Urban Ladder, Engrave, MaddHome, The Décor Kart, amzon, snapdeal,Flipkart
Health and personal care	Netmeds, 1mg, HealthKart, Nykaa
General B2C	Flipkart, Snapdeal, ShopClues, Infibeam, Paytm Mall, Myntra, Jabong, Amazon, eBay,
B2B	PayTM, Pepperfry, Zomato, BigBasket, Alibaba. Tolexo, Industrybuying, moglix, msupply, amazonbusiness
Beauty products	Nykaa and Purplle, lakeme, Loreal, My Glamm, Belita, Big Stylist, Vanity Cube

### E-commerce Sector Composition

Currently there are 1 to 1.2 million transactions per day in e-Commerce retailing. Given below is the split of sectors according to popularity:

**Table-2: Composition of E-commerce portals usage and products purchase**

Sector	Percentage
Electronics	48%
Apparels	29%
Home and furnishing	9%
Baby, beauty and personal care	8%
Books	3%
Others	3%
Footwear Internet Retailing	24.21%
Eye wear	5.83%

Source: <https://www.ibef.org>

### **Online Payment**

Cash on Delivery quickly changed into Card on Delivery (COD). Cash transactions resulted in high administration costs for eCommerce companies which reduced their margins; however, digital payment solutions are evolving fast to address these challenges. According to the Reserve Bank of India, in June of 2018 Indians had 944 million debit cards that could be used for online payment. E-Commerce companies report that 61 percent of customers use debit cards for payment. This clearly reflects that people are getting comfortable with using debit cards for activities other than withdrawals at ATM and many online retailers insist on debit card payment for high value transactions, which will help e-tailers to increase their reach. According to industry experts, digital payments will act as a game changer for the domestic e-commerce business and the current trend of dominance of cash-on-delivery would be reversed in the next five years. According to a Google India and BCG report, increases in purchasing by women and new internet users from smaller cities the digital spending is expected to increase to \$100 million by 2020. The launch of a Unified Payments Interface (UPI) by the Reserve Bank of India is expected to be a game changer. The UPI will enable eCommerce delivery staff to collect money electronically for even COD transactions. Mobile e-Commerce (m-commerce) is growing rapidly as a secure supplement to the e-Commerce industry. Industry leaders believe that m-commerce could contribute up to 70 percent of their total revenues. India has topped the U.S. to become the second largest market for smart phones after China. The number of smart phone users is expected to reach 650 million by 2019, 700 million by 2020 and 829 million by 2021.

### **Research Gap Identified**

On the basis of the review of literature, the scholar identified many dimensions of service quality of e-commerce portals in India. Service quality dimensions like tangibility, responsiveness, assurance, empathy and reliability is fixed. In e-commerce business retail sector, service providers find it increasingly difficult to create a differential advantage in service delivery due to huge technology infrastructure cost associated with the facility creation and maintenance of delivery systems. Simultaneously, the customer's expectations towards service quality are highly diverse and demanding. The two major areas of factors affecting the satisfaction of e-commerce portals used customers is network service and service quality in terms of quality of goods, designs display, price, discounts, delivery modes and payment options. The online customers choose the best system by comparing with the other sites available in the web and in the sample area. Hence, it is necessary to the e-commerce companies to know and have customer preferences in hand to make a policy and strategic plan to meet the expectations of the online marketing users from time to time. This can help to improve the customer's satisfaction towards e-commerce portals and there by the business continuity and sustainability in the days to come. On the other hand, it also helps to attract the potential youth towards e-commerce sites and to buy goods and services and there by business continuity and sustainability can be optimized. Hence, the

present study is proposed to examine the service quality of e-commerce portals in India: a study with special reference to women customers from Chennai and other factors influencing the customers to use e-commerce portals in the sample area. Here, the special focus is given to women users and the personal, health and beauty care and accessories used by the women in day to day life.

### **Statement of the Problem**

The digital marketing becomes an option to them to choose the utilities required by them online food aggregators are the first initiators to supply food items at door steps. Later slowly, the international players like amazon, flipkart, alibaba and many more entered into picture with virtual reality and augmented reality and standardization of products to the Indian customers. This has brought a drastic change in the minds of the people to prefer e-commerce channel as an option to buy goods and services. But, in a conglomerative open market environment and cosmopolitan customer base, the primary expectations from the e-marketing channels could be look and feel good appearance of the sites and the options provided in the site as attributes to attract the customers in a large scale and there by trade off will be easy. Once, the e-commerce firm gets trade off point, and then it can focus on customer delight service quality aspects. Hence, it is necessary to know the basic features expected by the customers in a e-commerce portal site and service quality infrastructure aspects of e-commerce portal. Here, the e-commerce portal appeal, tangibility, responsiveness of the site through artificial intelligence systems, reliability of the sites or portal, assurance for the dealings and the empathy towards the users' delivery points, delivery channels and payment options could be more appropriate to study. Hence, the current study is titled as: Service quality of e-commerce portals in India: a study with special reference to women customers from Chennai.

### **Scope of the Study**

The scope of the current study is limited to the e-commerce portal users from Chennai city. The study covers the e-commerce portal users from all segments namely, age groups, occupations, income levels, gender, family back ground, and having different opinions with regard to e-commerce portals and its services. The sample customers are selected in a justified manner; respondents could have been used the e-commerce portal at least once through online and experienced the attributes on service quality of e-commerce portal channel. The study covers the set of factors namely, e-portal tangibility, responsiveness, reliability, assurance and empathy as a set to measure the service quality of e-commerce portal. The mediating factors are motivators of e-commerce portal, technology safety environment and usage practices of e-commerce portals by the women. And finally, the dependent factor is level of satisfaction of the women towards e-commerce portals in the study area. The study focused on the identification of the degree of influence of each of the independent and mediating variables on the dependent variable in the study. This can help in taking necessary steps to improve the usage level of e-commerce portals and the level of satisfaction towards e-commerce portal as a channel to buy the goods and services by the women in the sample.

### **Need for the Study**

Chennai is a cosmopolitan city with the diverse cultural environment and huge purchasing potential and demand for all types of marketing. It is also one of the fastest growing cities in south India. Chennai is the 4th largest city in India. The city and its surrounding metropolitan area has a population of nearly 8-10 million. India will likely see the golden period of the Internet sector between 2013 to 2020 with incredible growth opportunities and secular growth adoption for E- e-commerce portal usage, Social Media apps, Search engines, Online Content, and Services relating to e-commerce portals and Internet Advertising. As we all know, India has a long way to go in the world of Digital Marketing as more and more Indians are spending time on the internet as compared to China and US. Hence, the customers' expectations with regard to e-commerce portals service environment and its quality attributes are need of the hour.

The service quality is needed to attract the e-commerce portal users to the online shopping service. This is also a factor having close association with the business consistency and sustainability in the long run. The customer loyalty towards e-commerce portal users service is influenced by the physical appearance and e-service quality in display and sale of goods and services. Hence, it should be measured from time to time and take necessary corrective actions to keep the new age customers delighted. This is possible only through collection of heterogeneous customer group perceptions and analysing the same from time to time. Hence, the detailed study on new age women customer's perceptions towards e-commerce portals, in the sample area is need of the hour. Hence, the two aims of the study is to assessment of women customers perceptions and expectations towards e-commerce portals or online marketing and to design the strategies to optimize the usage patterns and level of satisfaction of e-commerce portal users in Chennai city.

### **Objectives of the Study**

The specific objectives of the study are:

- To examine the status of e-commerce portals and online marketing in India.
- To find out the reasons for higher level of use of e-commerce portals by the women.
- To know the awareness, motivators of e-commerce portal users in the sample.
- To study the role of e-commerce portals in digital payments and factors associated with it.
- To measure the level of satisfaction of customers of e-portals in the sample area, Chennai city.

### **Conceptual Frame Work**

Numerous studies have investigated the influence of service quality in customer attraction, customer perceptions, behaviour; repurchase intentions and satisfaction of the e-commerce portal users. No comprehensive study is focused to do an exhaustive and comprehensive study of assessing the role of service quality of e-commerce portals and its five dimensions namely, tangibility, reliability, responsiveness, assurance and empathy considering as independent variable, usage practices, motivating factors on e-commerce portal and digital payments environment as mediating variables and the level of satisfaction of women towards e-commerce portals as dependent variables in the literature.

### **Data Collection Tools**

For the purpose of data required for the analysis and to test the hypotheses, the primary data is collected through a structured questionnaire prepared on the basis of review of literature and tested through pilot study. The detailed structure of the questionnaire along with the various parts and its description is presented in the following pages.

### **Structure of the Data Collection Instrument**

The questionnaire is prepared to cover all the aspects related to the problem statement of the study. The questionnaire is made in a comprehensive format using bipolar, dichotomous scaling, multiple choice scaling with single response, Likert's scales with numerical labels.

**Table 3.1 Showing structure of the Questionnaire Design used in the study**

S.No	Sections			Total
		MCQs	Likert's 5-point	
1	Demographic Profile	21	-	21
2	Independent Factor:- e-commerce portals service quality			
	Tangibility	-	07	07
	Reliability		07	07
	Responsiveness		10	10
	Assurance		06	06
	empathy		05	05
3	Mediating Factors			

	Usage practice		10	10
	Motivation factors		15	15
	Digital payments Environment		25	25
	Awareness of e-commerce		25	25
4	Dependent Factor			
	Satisfaction towards e-commerce portals		10	10

### Research Methodology

The present study is perceptual and qualitative in nature. The present study is described the profile of the women using e-commerce portals and to study the perceptions, usage, preferences, expectations and the level of service quality received and the satisfaction derived from e-commerce portals is assessed among the heterogeneous group of customers. For the purpose of collecting the data from the sample respondents, a research data collection instrument is designed and tested with the pilot study. For the purpose of study Chennai city is selected as a sample. The data collection purpose, a structured questionnaire is prepared by consolidation of the variables and factors from the literature. In order to test the reliability and accuracy and coverage of the scope, Initially a pilot study was conducted with 125 questionnaires and the reliability for the same was calculated by using Corn Bach's Alpha Score and found at 0.815 (81.5Percent) as reliable by comparing the standard alpha above 0.7 is considered sufficient (George and Mallery, 2001; Pallant, 2005). The large number of customers is from women working in BPO employees, college students and office goers. The employees are coming for different sectors and students and households from different areas are included in the study. Women representation in the sample is ensured at all points of time. On completion of the survey and collection of 800 data sheets, it is found that, 117 questionnaires in total found unusable due to errors of omission and dual entries and 683 samples were found suitable for the study. Data analysis is carried out with the same. The data and information collected from respondents pertains to the year 2019 and first quarter of the year 2020.

### Frame Work of Analysis

To understand the demographic features of the e-commerce portal users among the women, and to know the perceptions on usage, preferences, expectations and the level of satisfaction, descriptive statistics and frequency distribution are worked out. Simple correlation has been used to establish the associate relationship among the identified independent, mediating and dependent factors used in the study. In order to identify the degree of influence of independent and mediating factors on the level of satisfaction towards e-commerce portals among the sample, the appropriate statistical tools are applied based on the nature of the data. In order to group the variables used in the study the factor analysis is grouped and the broad factors are emerged. In order to find out the perceptual difference among the demographical groups with regard to the role of independent and mediating factors on the usage and level of satisfaction towards e-commerce portals among the respondents, t-test and one way ANOVA is administered by considering the nature of data and dimensions of the study. The association between the demographics and perceptions with regard to the role of service quality of e-commerce portals, level of satisfaction among the sample is tested through chi-square test. A multiple regression is carried out to find out the role of independent factors and mediating factors role on the usage and level of satisfaction towards e-commerce portals is carried out separately. Besides, mean score have been worked out for identifying the key dimensions of both independent and mediating variables used in the study. Finally, in order to find out the comprehensive relationship between the independent, mediating and dependent factors used in the study, a SEM model is proposed and the fitness is compared with the standard values and the model is found fit.

### Organization and presentation of the study:

The thesis is presented in five chapters and detailed description of each chapter is as follows.

Chapter-I, titled as Introduction and it deals with explaining the theme of research, the dimensions of the study, and implications of e-commerce portals and digital payments narrated in brief. Chapter-II, titled as Review of Literature and deals with review of existing literature and different dimensions of factors affecting the e-commerce portal users level of satisfaction and the role of comprehensive studies in measuring the level of satisfaction, presenting the contemporary research and identification of

research gap, framing the research problem is exercised in a systematic manner. Chapter-III, titled as Research Methodology and deals with the systematic procedure adopted in administering the present research work including the methodology, design of data collection tool, selection of sample, fixation of size and method of sample, frame work of analysis, organization and limitations of the study is presented. Chapter-IV titled as Analysis and Interpretation of Data, deals with Analysis of Profile of women using e-commerce portals, usage practices, preferences and perceptions of customers towards e-commerce portals in the sample area. In addition, inferential statistics deals with Analysis of data on the role of service quality factors in the usage and satisfaction of women users towards e-commerce portals is studied. Chapter-V titled as Summary of Findings, suggestions, conclusion and Scope for further research and presented the findings of the study in the order of analysis and suggestions are drafted in the light of findings of the study. The study is summarized and presented as conclusion.



# CONTEMPORARY FACTORS INFLUENCING THE STATUS AND SUCCESS OF WOMEN AT WORK: A STUDY AMONG THE SELECTED WOMEN FROM CHENNAI CITY, TAMILNADU

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## ABSTRACT

The online business industry is well established in India. And, everyday some or the other new player is taking a plunge. Though, a major contribution to its growth is provided by e-commerce industry. Even so, not many understand the intricacies involved in e-commerce industry. By definition e-commerce stands for electronic commerce. Dealing in goods and services through the electronic media and internet is called as E-commerce. E-Commerce or E-business involves carrying on a business with the help of the internet and by using information technology like Electronic Data Interchange (EDI).

## INTRODUCTION TO THE STUDY

Traditionally Indian women had been home makers but in the recent decades, proper education and better awareness, in addition to the ever increasing cost of living has made them to go out and choose careers. In a patriarchal society like India it is still believed that a man is the primary bread winner of his family. Although Indian women have started working outside their homes but still they have a long way to go both culturally, socially and economically, to bring in positive attitudinal changes in the mind-set of people. Most of the Indian men are not ready to accept that women are capable enough to work side by side with men in all the sectors, other than in a few limited ones like teaching, nursing and in clerical sectors. Their capabilities are generally underestimated as a result of which Indian women have a tendency to opt for less demanding jobs even if they are highly qualified. Women have the responsibilities to effectively manage their multiple roles in domestic as well as employee's lives. Men generally do not offer any help in the households work. This makes the life of working women extremely stressful.

There are innumerable challenge and problems faced by them both at home and workplace. What we generally see today, in addition to various media and journal reports is that in the workplace women generally face mental stress, sexual harassment, discriminatory practices, safety and security issues etc (Martin, 1989). India's patriarchal society thinks of women only as homemakers and sexual objects and is generally subjected to exploitation and torture (Dube, 2001).

Women have been playing vital roles in households since ages. Now women are also recognized for their value in the workplace and are engaged in wide range of activities of work in addition to their routine domestic work. Building a society where women can breathe freely without fear of oppression, exploitation, and discrimination is the need of the hour, to ensure a better future for the next generation. Women have special abilities and poss by nature. In fact, nowadays what is much accepted by organizations is the democratic leadership and sensitivity to the needs of individuals. Furthermore, the presence of women in organizations results in the development of a healthy and moral culture. Moreover, their presence in governmental positions facilitates the organization inter communication improvements and innovation promotion. Besides, the information technology paved the ground for the women presence in the social affairs (Babae Zekliki, 2005; Gopal,2008).

Identification and recognition of outdoor and indoor variables which affect women in attaining key position is very vital and important (White,2003; Adingar , 2004; Chugh & Sahgal,2007).On the other hand, women have special capabilities and poss. “soft” skills in human sources management which are more needed currently than before in organizations. In fact, nowadays what is much accepted by organizations is the democratic leadership and sensitivity to the needs.

Recent years more and more women have appeared on the international arena as successful leaders. This Trend is a good sign for leadership in the world which can be interpreted as a great step towards equal opportunities and the ability of public to overcome prejudices against women abilities to lead and rule (Sandon, 2006). Although we’ve come a long way throughout history by gaining the right to work and vote, there is still an obvious gender bias that lingers within the workplace.

### **Working patterns of women in India:**

It has often been said that the Woman employees has not fully utilized her talent at the workplace. This is reiterated by the fact that according to the UNDP, at 28% the women workforce participation rate is among the lowest in the world. A few key aspects which complicate career choices for the women employees are the Indian joint Family system, Indian society’s collectivist outlook and the fact that the average age at which Indian children leave home is among the highest in the world.

Many studies point to the fact that despite women’s investment in their own education, their commitment to their management career, the shortage of international executives, and equal opportunity legislation, even today women hold no more than a small fraction of management posts. Opportunities for women to avail of more generous life choices seem to be lacking. And this situation persists despite research both Indian and global - pointing to a link between gender balance in management and corporate profitability. Every organization that is following an aggressive growth agenda is keen on understanding the unique factors of success of women at work which propel the workforce participation of women in the Indian workplace. As such, there are many studies about engagement drivers which help employees stay retained in their workplace. However, there are no studies which speak about the career inhibitors and enablers specific to women employees.

The objective of this study is to outline the different factors of success of women at work which empower Indian women to stay engaged in the workforce and manage the interruptions to their career with the support of their employer. The primary focus of this study is to ascertain the impact of Flexible Working methods as a career enabler for women to prevent their attrition from the workforce and act as a deterrent to career interruptions.

### **Research Methodology**

#### **Statement of the problem and research questions**

Women play a key role in the development of a family as well as an economy of the country. But, the women are not given such priority at work place for many decades. The recent amendments in the various acts related to industrial administration and social governance, paved the way to create a safe and secured environment to women along with reserved positions at work place and in constitutional establishments of the country. Women at work and her status and success at work place is undoubtedly is at stake. Many organizations do not prefer women to choose an employee. Many are discriminate in employment and pay scales in both organized and unorganised set ups in the sample area is observed. the reasons for not preferred to select women and deploy at work are women needs special work environment, women are not soo potential to work like men, women seeks frequent leave facility to handle family responsibilities, safety and security reasons. Beyond that, women potential is not at all recognized as a good mother, good employee, and good manager at work place, good problem solver and having potential to learn and grow in career faster than men.

After many decades, women are considered with the advent of liberalization and globalised success trends of women leaders in many MNCs. The women reservation Bill and amendments of companies Act 2013 created a lot of change in the mind set of the corporate and organised firms. Today, women is preferred by many service firms for many reasons like low salary, no union issues, works for long hours, committed to work, and of course having a good communication and potential to manage problems in an effective manner is the mind set. Still the status of women at work and success of women is at stake for many reasons like, gender discrimination, inability to provide agile work environment, training and development, lack of commitment to employee engagement, work culture issues and lack of top management willingness to change the mindset.

In such, environment, the present study is taken up to study the factors influencing the working status and success of women at work in Chennai city. The reason behind choosing Chennai city is, due to migrated population, the unskilled and semiskilled

women labour availability is plenty. Similarly, both organised and unorganised service firms operating from retail to hospitals prefers women employees by fixing low salary packages. Hence, the present study is focus to identify the factors influencing the working status and success of women at work in Chennai city as a comprehensive study. The reason behind, explaining as comprehensive study is the sample respondents are included from unskilled, semi skilled and skilled professionals in the study. The study also covers the all the sectors of services and some of the assembling and production sector.

### **Objectives of the study**

The specific objectives of the study are as follows. The objectives are more focused on work place and organizational variables and hence fixed as independent variables. Similarly, the role of behavioural variables is also included in the study and the objectives are framed accordingly.

- To find out the factors affecting the working status and success of women at work among the sample respondents from Chennai city.
- To assess the dimensions of impact of each of the factors on the working status and success of women at work.
- To study the relationship between the organizational factors and working status and success of women at work.
- To study the relationship between the behavioural factors and working status and success of women at work.
- To fix the SEM model explaining the comprehensive relationships between the organizational, behavioural and dependent factors and validate the model.

### **Hypotheses framed and administered/tested**

The study is framed the following hypothesis and administered on the sample data and results are interpreted in the light of the work environment and culture prevailing among the sample area.

- There is no significant difference between mean ranks of agile work environment as a factor in the working status of women in the sample.
- There is no significant difference between mean ranks of variables of employee engagement as a factor in the career growth and success at work of women in the sample.
- There is no significant difference between mean ranks of career growth opportunities as a factor in the career growth and success at work of women in the sample.
- There is no significant difference between mean ranks of Tenure of employment (Job security) as a factor in the career growth and success at work of women in the sample.
- There is no significant difference between mean ranks of Work life balancing as a factor in the career growth and success at work of women in the sample.

### **Scope of the study**

The present study is conducted in Chennai city by considering both organized and unorganised business firms operating in service sector and few in operations. The firms include retail financial services, operations, hospitals, health care, service centres, and hospitality sectors. The women employees covered from diploma to post graduates and professional certificate holders in few cases. The women employees are working in full time, part time, project based and assignment and consultancy mode are also considered for study. The women employees having less than 5 years work experience to above 20 years work experience is also considered for the study. Both married and unmarried, hailing from joint family and nuclear or independent family set up is considered in the respondents group for study. The respondents include, having worked in a single company to work for more than 10 companies also include having a wide range of perceptions and opinions. The functional areas of the women executives participated in the study includes, Finance & Accounts, Sales- field and online, Marketing-planning and execution, Human Resource , Administration, IT-Information technology, Production process, Quality Control , Operations overall, Others- administrative support, Production support, Medical services, Front Office services, and Guest Relation Executive (GRE), Research, Diagnostic, Media services. The women working in junior level management positions consists of 65 percent and the remaining 35 percent are from middle, senior and strategic level management positions. Finally, the women taken career break and not taken the career break also included in the study. Hence, a conglomerative and comprehensive working population is covered and perceptions pertaining to the role of organizational and behavioural factors in the working status and success of women at work are studied.

**Need and social relevance of the study**

With the increased level of migration to cities and increased level of higher education institutions, the number of graduates coming out of from the higher educational institutions is significantly increased in the past one decade. In addition, the imitated life style and family structure makes both the family members is preferred to go to work. The increased level of financial needs for needs and comforts are increasing with the inflation trends. All these put together women going to work is increased in cities and metro cities in the recent past. The traditional and modern firms operating in both organized and unorganized sectors in the sample area are many from traditional family based entrepreneurial set ups. The work environment is driven by the autocratic format of leadership and the degree of implementation of industrial acts and health, safety and welfare provisions are nominal. The emerging trends in IT and ITES, Financial services, Organised Retail malls gave a another kick back to the work place environment standards deterioration, by not following the time frame, and salary ranges and work place standards for employees.

Many of IT, ITES and Organised retail firms, hospitals are not covered and governed by in any one of the industrial laws except shops and establishments Act provisions which are nominal in nature and never talks about the employee aspects of the provisions. This is used as a weapon to slice the employee health, safety and welfare to the extent possible. Increased level of competition and rapid changing technology platforms added fuel to the unemployability trends of the women in the sample area. But, many firms prefers women to select for unskilled and semi skilled jobs at floor level positions by fixing lower pay scales for long working hour jobs. In some of the hospitals and hospitality sector firms this trend is observed more and it is followed by retail firms. In order to document it's and represent in proper forums, a detailed and comprehensive systematic study is required and need of the hour. The potential women employees are exploited and the health, safety and welfare of the women are at stake. In this scenario, the researcher feels, it is necessary to have a comprehensive study covering both organized and unorganized firms covering all segments and all levels of women employees and to find out the factors affecting the working status and success of women at work. Hence, the present study is socially relevant and contemporary in nature and taken up for research.

**Research design and methodology**

The present study is perceptual and qualitative in nature. It follows descriptive research methodology in exploring the facts related to research problem and theme in the light of set objectives and hypotheses. The sample area is Chennai city and data collection is done through a structured questionnaire tested with pilot study and reliability. The study uses both first hand sources data and secondary sources. The sample area covers the wide area covering north Chennai, central Chennai, and south Chennai city. The prominent business units like Saravana stores, Vijaya hospitals, RR Dollenary, Pheonix market city, SRM Hospitals, RBS bank, Diamond Engineering services, Mehatha Health care, Prashanth hospitals, The Chennai silks, Just dial, LEmetropolis, Times coaching centre, SSS home Care, Bajaj finance, L&T Home loans, Ashok Leyland Motors, Radiance infra, Pothys Garments, LUX Leathers, Zamba readymade, MEPZ associates, CRL Firms, Murugan dealers, Abdul Ghafer traders, Pioneer audio, supreme computers to name a few, located in both commercial and business centres. Initially a pilot study was conducted with 150 questionnaires and the reliability for the same was calculated by using Corn Bach's Alpha Score and found at 0.772 (77.2 Percent) as reliable by comparing the standard alpha value mentioned in the literature by Pallent. 2005, as above 0.700 is considered as good and reliable. Based on the same HR Managers are met to get permission for the survey in the premises. Later final survey was started using the convenient sample technique (1800 Questionnaires were distributed and collected personally from the various business firms and entities by personal visit. The women executives were not willing to share any information about the individual data are not considered for the study. The primary reason behind the adoption of convenient sampling technique is time and co-operation from the sample respondents.

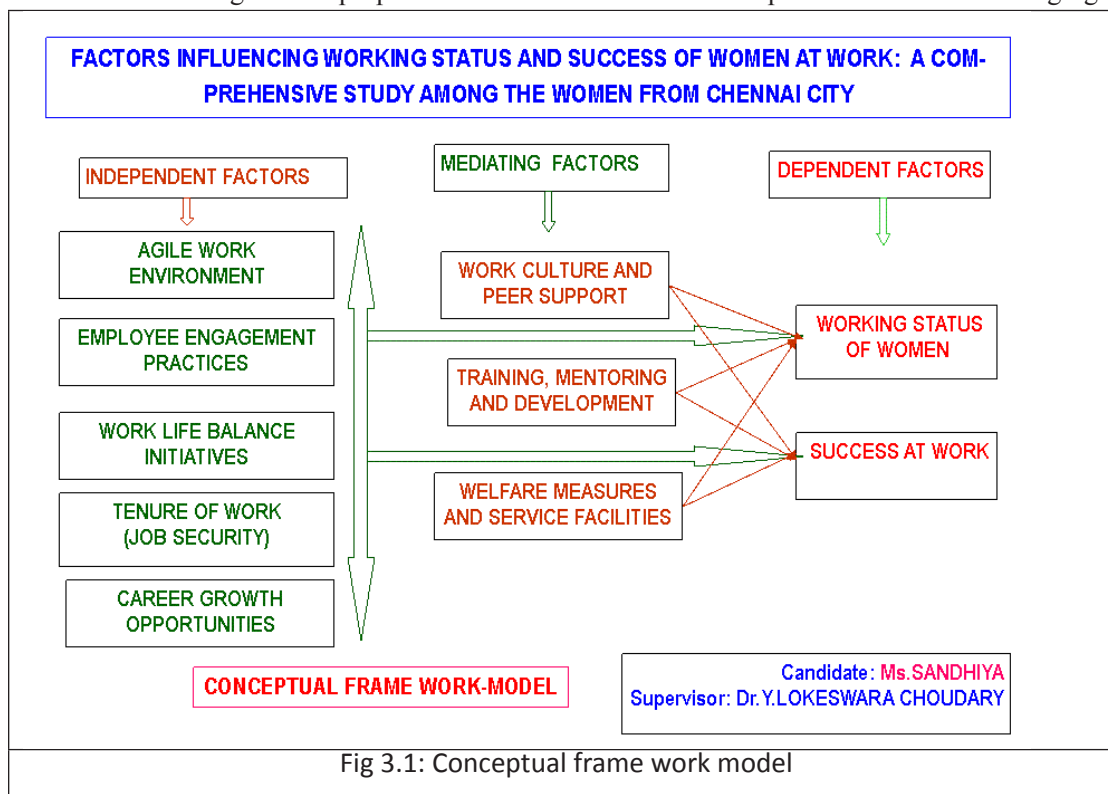
**Sources of data**

For the purpose of study, data required is collected from both primary and secondary sources. The primary data is collected through a questionnaire prepared and tested through pilot study. The secondary data is collected from both manuscripts, print and electronic media sources. The manuscript, print sources includes, magazines, newspapers, books, journals, reports, research based thesis, review reports, policy documents and other unpublished data from the libraries and business firms, service sector establishments in the sample area. The electronic sources includes, digital platforms, data centres, e-libraries, data bases, e-journals, web sources, websites of research companies, industry associations, government websites and other

media sources.

### 3.9 Conceptual frame work

The conceptual frame work designed and proposed from the literature review is presented in the following figure.



#### Variables and factors

There are three types of variables used in the study.

The first sets of variables are organizational in nature and fixed as independent factors.

The second set of factors is behavioural in nature and fixed as behavioural factors.

The third sets of factors are dependent variables namely, working status of women and success at work.

#### Jargons used in the study and explanation

**Working status:** The term working status refers to the continuity of employment without any career breaks due to organizational issues. The personal reasons for taking voluntary sabbatical or a maternity leave or shift of place and any kind of break due to personal and family reasons is not included as a career break. Working status is considered as organization influencing factor and individual employees does not have any control on that. A change of employment due to termination, unwilling lay off or forced resignation affecting the working status of women in many cases due to work place pressure, work culture, work requirements (like on site work and relocation, night shifts on regular basis ),lack of flexibility and peer support and unable to adjust with the work environment (physical and ergonomic issues, behavioural issues) are considered to be the organizational factors affecting the working status (continuity of work) of women in the sample.

**Success of women:** Success is defined by taking the perceptions of working women towards certain job satisfaction aspects namely. Equal pay, fair promotions, equal opportunities to all, recognition of achievements, considerations given, job security and welfare measures provided to employees and family, social security measures offered by the company. If these aspects are satisfied by women, it is considered as women id successful in the jobs and by having continuity of employment and career growth.

#### Sample frame and sample method and size

The respondents suitable for the study are the women employees and executives working in the business firms and service sector firms in the sample area. For this a detailed chart is prepared with the list of institutions to be visited and



approached. Initial survey is conducted at the job fair conducted exclusively for women every year at Chennai Trade Centre, Nandambakkam, Chennai. The fair continues for 3 days and extends based on the crowd. Pre registrations are encouraged to have a smooth conduct and safety and risks associated with the crowd. As maximum as 5000 women from all paths of life and cadres of jobs are participating. The survey is conducted separately for both freshers and second-inning job-seeking women. The job fair offers opportunities for both fresher and career break candidates based on the field of specialization. It is also observed that women attend the job fair for top-level positions too. This indicates that, the employment of women is not secured at all levels of management in the organizations. Many participate for extra mileage and career jump in the employment. Many are not willing to allow to do survey of the women employees. In such cases, the women employees are met at private parking lots and restaurants nearby place, where women visit for refreshments. Some of the firms and hospitals are allowed to meet and some of them collected the data collection instrument and given it back later by circulating to employees and collected back by the HR or administration teams.

Since the population is unknown, the sample is determined by using a qualitative technique of reasonability and justified with large sample size. The sample covers the entire sample area in terms of the prominent firms in various sectors in Chennai city. The convenient sample technique is adopted to survey the employees working in the sample companies. The sample size and wide coverage are taken care, to avoid errors and validity issues relating to research. The sample size is determined by using the scientific method, (non-probability sampling category) by using the pilot study standard deviation of the sample of 150 respondents, by allowing the standard error at 5% level. The sample size was determined by using the following formula and found at 942 and the actual sample available is 1064. The adequate sample size obtained by the scientific method is observed at 942 and the actual number of questionnaires available for data analysis is found at 1064 and the analysis is carried out with the actual sample size of 1064.

#### **Data collection tools and techniques**

For the purpose of data required for the analysis and to test the hypotheses, primary data is collected by using a structured questionnaire prepared on the basis of review of literature and tested through pilot study. The personal and physical visit of the various business firms and service sector establishments are approached in the sample area. The period of data collection is 8 months from April 2019 to January 2020.

#### **Pilot Study and Reliability Test**

The pilot study was conducted by distributing 150 questionnaires to women employees and executives from various business firms in the sample area. Cronbach Alpha Test was used to determine the degree of consistency among the multiple measurements of each factor and found the overall score of 0.772 as reliable when compared to standard alpha above 0.7 is considered sufficient (George and Mallery, 2001; Pallant, 2005). The quality of research finding depends on the reliability and validity and relevance of the variables used in the research data collection.

#### **Data Analysis Results and Discussion**

The analysis of the present study is made through the appropriate statistical tools in consultation with the expert statistician. The study is presented at two stages for better understanding of the reader. This study can give a real picture of the working conditions prevailing in the business firms and how these factors affecting the working status and the success of women at work in the sample area. This can help the policy makers to review certain policy matters and to devise operational strategies for the betterment of the working conditions and to aid the working status and success of women at work in the business firms and to provide the quality service to the public at large. The study is descriptive in nature and the results are discussed based on the results of the survey.

#### **Summary of Findings, Suggestions and Conclusion**

- The primary influencers of agile work environment factor in the working status of women are Work place comfort is ensured universally across the verticals; Allow people to work from anywhere at any time with mutual concern; encourage collaboration and open communication, which allows people to be more proactive and accountable; Employees are asked to develop innovative solutions to problems and work with their teams to accomplish a diverse range of goals; Provides a fair level of privacy, peace, and quietness at work place; Employees are allowed to



seamlessly move into and out of spaces; Provides employees with far greater levels of independence and autonomy respectively in the order of priority.

- The primary variables acts as influencers of employee engagement factor in the working status of women are Existence of connection between individual and company performance; Emotional engagement is taken care by the firm; Nature of my job is quite satisfied; Behavioural engagement is handled smoothly; Cognitive drivers for learning and development; Feeling valued and involved in the decisions of the team; and Work place is free from Stress and monotony respectively.
- The primary influencers of career growth opportunities factor in the working status of women are Gender discrimination in the work with the mean score of 3.22 and SD of 1.307; Support from family and office with the mean score of 3.19 and SD of 1.122; Individual's skills and abilities, hard work, reputation, and performance with the mean score of 3.18 and SD of 1.355; Attribution and human capital theory adoption in the form with the mean score of 3.18 and SD of 1.288; Power politics and networking systems in the firm with the mean score of 3.16 and SD of 1.193; Career movement and career types with the mean score of 3.13 and SD of 1.264; and External and internal locus of control with the mean score of 3.12 and SD of 1.156 respectively.
- The primary influencers of tenure of employment factor in the working status of women are Structure of internal labour markets with the mean score of 3.26 and SD of 1.342; Higher educational attainment with the mean score of 3.26 and SD of 1.18; Support and encouragement with the mean score of 3.21 and SD of 1.173; Education, work experience and Personality with the mean score of 3.17 and SD of 1.267; Personal and social demographics with the mean score of 3.17 and SD of 1.332; Work stress and health with the mean score of 3.16 and SD of 1.235; and Personal traits and up skilling capacity with the mean score of 3.15 and SD of 1.309 respectively.
- The primary influencers of work life balance factor in the working status of women are Family issues are concern to me every day with the mean score of 3.16 and SD of 1.270; Fair level of Social support from the family and friends with the mean score of 3.15 and SD of 1.266; Work overload is very high with the mean score of 3.14 and SD of 1.279; Social issues like personal security and teasing is with the mean score of 3.13 and SD of 1.270; Organization support is good and appreciable with the mean score of 3.13 and SD of 1.240; Stress issues are moderate with the mean score of 3.12 and SD of 1.215; I am familiar to Information technology is available at work with the mean score of 3.10 and SD of 1.197; and Individual issues like health and responsibilities are more with the mean score of 3.10 and SD of 1.241 respectively.
- The primary influencers of supporting services factor in the working status of women are My organization provides transport facilities with the mean score of 3.23 and SD of 1.358; Providing medical and health care for employees with the mean score of 3.07 and SD of 1.261; Safety is ensured to women employees with the mean score of 3.05 and SD of 1.228; Welfare measures are taken care of by the company with the mean score of 3.03 and SD of 1.184; Organization allows sabbaticals to do higher studies with the mean score of 3.02 and SD of 1.227; and Organization has the child care and day care centre with the mean score of 3.01 and SD of 1.173 respectively.
- **Role of independent factors on the working status and career growth of working women:** The co-efficient of agile work environment is 0.487 and p value=0.001; Employee engagement practices is .361; Work life balance is .902; Career growth opportunities is .303; Tenure of employment is .530 respectively showing the highly positive and direct influence on the working status and career growth of women in the sample by holding all other variables as constant. The co-efficient values observed for agile work environment, employee engagement practices, work life balance, tenure of employment and career growth opportunities are observed a calculated p value of 0.001 as less than the 0.01 and hence, highly significant relationship is confirmed statistically.
- **Role of independent factors on the success of women at work:** The co-efficient of agile work environment is 0.386 and p value=0.001; Employee engagement practices is .255; Work life balance is .486; Career growth opportunities is .231; Tenure of employment is .499 respectively showing the high level of influence on the success of women at work in the sample by holding all other variables as constant. The co-efficient values observed for agile work environment, employee engagement practices, work life balance, tenure of employment and career growth opportunities are

observed a calculated p value of 0.001 as less than the 0.01 and hence, highly significant relationship is confirmed statistically.

- **Role of Mediating factors on the working status and career growth of working women:** The co-efficient of work culture and peer support is 0.731 and p value=0.001; training, mentoring and development is 0.566 and welfare measures and service facilities is 0.387 respectively showing the highly significant and positive influence on the working status and career growth of women in the sample by holding all other variables as constant. The co-efficient values observed for work culture and peer support, training, mentoring and development and welfare measures and service facilities are observed a calculated p value of 0.001 as less than the 0.01 and hence, highly significant relationship is confirmed statistically.
- **Role of Mediating factors on the success of women at work:** The co-efficient of work culture and peer support is 0.822 and p value=0.001; training, mentoring and development is 0.611 and welfare measures and service facilities are 0.411 respectively showing the highly significant and positive influence on the success of women at work in the sample by holding all other variables as constant. The co-efficient values observed for work culture and peer support, training, mentoring and development and welfare measures and service facilities are observed a calculated p value of 0.001 as less than the 0.01 and hence, highly significant relationship is confirmed statistically.
- The key factors influencing the working status and career growth of women are agile work environment, work life balancing initiatives and tenure of employment as independent factors, work culture and peer support, training, mentoring and development as mediating organizational factors is identified through the analysis. The success factors of women identified are work life balance, tenure of employment and agile work environment from the independent variables; work culture and peer support, training and mentoring from mediating factors are identified as factors influencing the success of women at work among the sample.

### **Suggestions and Recommendations**

In this section, the suggestions and recommendations to improve the working status and success of women at work is presented on the basis of the issues faced by the women and by suggesting the steps to be taken to overcome such issues. The strategies are presented as workable and possible and feasible solutions along with the modus operandi applicable to the sample area and to the sample unit. The suggestions drawn are based on segment wise applicable to the women working in different sectors in the sample area. The possibility and feasibility of the strategies are considered in consultation with the employers and the freelance writers and journalists and the Delphi group (Expert Group) in the area of human resources management and business management from the sample area.

- **Strategies to resolve the issues with Agile work environment:** agile work environment is broadly divided into two classes, namely physical and behavioural or psychological in nature. The physical environment should be designed in an ergonomically suited and by considering the employee average demographical physical structure values. The height, weight, the body flexibility and the physical alignments are considered in designing the office furniture and equipments. The safety, health is influenced by the office environment to a greater extent.
- In addition, the work place should be properly ventilated and have proper air inflow and outflow. Hence the first part of the agile work environment should be free from congested office space. The office should be well ventilated with good air flow and privacy to the women employees to work independently. These facilities may be one time investment and have long run impact on the productivity and performance of employees at work in general and women in specific. Women prefer to have privacy and in many firms it is not followed and the work performance is affecting accordingly. Hence, physical agile work environment creation is the primary factor helps to improve the working status, performance and thereby success of women at work.
- The behavioural aspects of work environment are mostly associated with the groups and sharing the work. This can be resolved by way of establishing job rotation to all the employees irrespective of the department. The job requires special skill needs to be filled with extra employees as reserve and train as many employees as possible in a particular domain. The women need to be developed as multi skill and adopt the women from day one to work on multiple platforms. This can boost the confidence level and also the interpersonal; communication with different teams working in different verticals. This needs to be inculcated in the IT firms and core sector too. The role of team leaders

should be co-ordination and facilitating. All team managers should be trained to be the good facilitators and the team players. Empathy, share and care, Equality, fairness and friendliness should be the prime principles of work place. Growing together should be taught at every moment to all the employees irrespective of the level of management.

- Power politics and group politics should be treated with strict and stringent HR policies. Effective life skills training, spiritual education and moulding the employees as good human beings rather than mere workers can bring a behavioural change in the mind sets of the employees hailing from different streams and walks of life. The long run effects of these changes could be business success, sustainability and continuity with higher rates of growth. Work place flexibility and agile work environment are two eyes to a successful business firm for the growth and development of the firm and to the employees and to the stake holders at large.
- **Employee engagement practices:** the set of activities to keep the employees delighted at all points of times at work place are called engagement. In other words, right person, right job and the recognition of talents and assigning the jobs to the teams and making them to enrich in the selected field of specialization can help in improving the creativity and innovation at work. These are very nominal practices in many firms due to outsourcing projects with time frame and tight schedules with lack of sufficient number of employees. A good HR team should work in manpower planning and work scheduling of a firm in consultation with the teams.
- Inspiring the employees by providing the diversified work culture and team spirit along with flexible work plan should be the first step in doing practicing the effective employee engagement practice. Allowing employees to work in an independent manner with liberty and freedom is another step in employee engagement practice. Time frame to complete the jobs and to think on alternative methods design and development and relaxation time should be imbibed in the office time frame itself sends the positive signals of effective engagement to all the teams across the verticals and segments of projects and work places.
- Openness and equal treatment and honesty should be represented in all walks of life irrespective of the functional and official relationships between the employees and the management. This can be the best gesture to represent the firm's employee friendliness and engagement. Fairness in recognition and openness in policies and promotions and taking care of employees through welfare measures are the best practices in employee engagement. The women are special and her presence at work is more than special. Such approach is adopted in many hospitality firms, hotels, restaurants, health care, neonatal hospitals and some service centres like spa, saloon and day care centres where, men cannot be engaged or not suitable. Hence, in service sector women is the king maker and no substitute. Hence, engagement of women is highly important. It is not that easy to get trained women to engage such services and hence, women have lot of scope to grow in service sector. For that flexible environment, effective planning and broadmindedness are the key ingredients in the value system of a company.
- **Work life balance practices of women employees:** The facilities and rules and policies related to work time and work place are generally affects the work life balance of employees. The time sharing between the professional life and family cum personal life is affected due to rigid work schedules framed and practiced by many firms in the service sector. In such scenario, the productivity and performance of the employees will comes down due to pressure and stress undergone by the employees. Hence, organizations objective of high level productivity and delighted level of service quality to the customers and clients is possible through allowing people to work independently without time frames and rigid schedules. This requires lot of home work and pre-preparedness from both employee and employer side. The employer should plan the work schedule by allowing a reasonable and possible reserved time to adjust the lack of work and to be completed tasks. The project manager should consider the productivity levels and contingencies in the time schedules of individuals and plan the project implementation or service delivery schedules accordingly.
- Work place volunteering, conducive office environment and behaviour, culture, encouraging social events and participation of employees in all the leisure activities and relaxation can help in boosting the moral strength of the employees to come forward and to share the difficulties. An empathetic mentorship culture should be brought into practice and inculcate the same on regular basis. Such employee friendly practices can help in improving the work life balance of the women at work.

- **Tenure of employment:** Job security is a major issue in case of employees in India. Thanks to liberalization and free movement trends of the employees from place to place for employment and living. The traditional mind sets are slowly erasing out of the minds and people look for best places to work and live and planning accordingly. It is a positive trend in the mind set of the people. The risk is due to outsourced projects with lack of clarity on the continuity of contracts or services. If one project is completed another project should take off them the employability is not an issue. No company is having such regular contracts for service provision due to competition and alternative solutions. Hence, tenure of employment is linked with the design and development of innovative and alternative, compatible and ease of operation mode solutions to the business and personal life.
- In service sector , physical services and the availability employees from such blue colour jobs is ever green in the country, dignity of labour and everyone is looking for soft jobs is creating the unemployment. Hence, migration, lack of skills is reasons for un-employability and jobless in the sample area. To resolve the job security issues, an individual should be multi skilled and trained in both blue colour jobs and white colour jobs and upgrade his/her skill from time to time to handle new business issues can be one feasible solution.
- **Career growth opportunities:** organizations should offer equal career growth opportunities to all irrespective of gender. It is observed that, in many companies, women are not considered for night shifts and senior management positions. After, companies act 2013 amendments, the women in the management of board of directors of a company is made as mandatory. Similar, trends are observing at all levels of employment opportunities and career growth opportunities in the form of reservations for women in education, employment, political, statutory and constitutional establishments in the country. Coming to the career growth opportunities for women is affecting due to the personal reasons like, marriage, relocation, and maternity, responsibility of family, kids and elders at home.
- **Work culture and peer support:** work culture has a positive and direct relationship with the working status and success of women at work in general in the country and in specific the sample area. The increased work pressure and work place commitment and service quality demand expected from the employees of the organizations, pressurizing the women to face many trouble at work. In some cases, women either quit the job or to shift to lower level of jobs within the organization or in the some other organization. This leads to affect the working status and success of women at work.

## **SUMMARY AND CONCLUSION OF THE STUDY**

The key factors influencing the working status and career growth of women are agile work environment, work life balancing initiatives and tenure of employment as independent factors, work culture and peer support, training, mentoring and development as mediating organizational factors is identified through the analysis. The success factors of women identified are work life balance, tenure of employment and agile work environment from the independent variables; work culture and peer support, training and mentoring from mediating factors are identified as factors influencing the success of women at work among the sample. This indicates that the women needs special work environment and it is available to some extent in the sample area. Many of the firms are located within the urban limits and having very good connectivity. The issues with work life balance are observed due to independent and nuclear families by not having the elderly people to look after the children at home. In some cases, it is noted that, the elderly care is required to take care of the elders at home. In both the cases, women are held up and unable to resume the work, though qualified and the job opportunities are available. In some cases, women are unable to cope with the latest and current technology base and hence, quit the job and taking care of the family. The training and up gradation is another neglected area of women in the sample area. This is revealed that, women find no time and resources to attend training along with the family responsibilities and work life balancing issues. an elderly women feels that, the promotions at work after certain age may not yield much of benefits rather improves the responsibility and accountability and hence, women prefers to be at bottom of the pyramid as one among the floor level executives and shy away from the managerial responsibilities.

Hence, the working status and success of women is also depends on the both organizational and personal reasons. A mutual discussion on vision and mission of the company and the preparedness of the employees before taking up the assignments can

have a better idea about the future plans and responsibilities and to be prepared for the same. Such, arrangements can help in understanding each other and to have a better level of working status and success of women at work.

The role of organizational and behavioural variables influencing the status of work and success of women has definitely play a role, the Delphi technique (Expert opinion) based strategies design and development and implementation in consultation with the women employees co-operation can pave better work environment, culture and there by improved level of status of women at work and the success rate of women in the employment positions and career. The role of regulatory and the industry associations, management advisory consultancy institutions and government in making the vision of providing the agile work environment and empowerment of women at work place is indispensable.

The possible things can be speedup by the regulatory measures like Companies Act 2013 amendments and protection of women and women employees through separate Acts like Disha Act of the Government of Andrapradesh, Women police stations, women police patrol, separate control rooms for women harassment control, dial free and CCTV surveillance in public places and transport models of the Government of Tamilnadu and the Government of India can definitely help in making the comfortable work place to the women employees. A comfortable and convenient work place with positive work culture and peer support a women can create records in terms of productivity and the performance and there by many women managers, leaders can be blossom and there by the ultimate goal of success of women can become from dream to a reality in the sample area.

The implementation of existing Industrial relation acts and the other Acts and provisions government the work place health, safety and welfare facilities, workmen protection, workmen compensation, payment of wages act are also important to implement at the best possible degree to improve the physical environment at work place. This can be additional value addition to the comfortness of women at work and there by the working status improvement and success rate can be improved to other level from the existing. All such collective measures can help to improve the working status and success of women at work in the sample area.

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# EFFECTS OF AUDITING OF HUMAN CAPITAL AND ITS IMPACT ON THE PERFORMANCE OF THE FIRM IN SERVICES SECTOR: AN EMPIRICAL STUDY

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## ABSTRACT

The word “audit” comes from the Latin verb audire , which means, to listen. Listening implies an attempt to know the state of the affairs as they exist and as they are expected/ promised to exist. Auditing as a formal process is rooted in this feature of listening. Consequently, it is a diagnostic tool to gauge not only the current status of things but also the gaps between the current status and the desired status in the area that is being audited. Auditing has been a routine exercise in the area of finance, especially because it is a statutory obligation. However, in case of Human Resource, there is no legal binding to adopt auditing. Some of the companies nevertheless prefer to have Human Resource audits.

## INTRODUCTION

Audit is a process of systematic check on the various aspects of intellectual capital management in an organization. The role of intellectual capital in Information technology firms is very high due to foreign clients and the service quality expectations of the delicate institutional clients. In addition, the costs associated with the projects are huge and irreversible in software projects. A product designed by a firm should be in a position to satisfy many clients in the world in terms of simplicity, compatibility, change, up gradation and flexibility to shift the operating system. All these imbedding in a single product requires multiple skills and all those are supported by the different teams. An HR audit is an investigative, analytical, and comparative process that attempts to measure the effectiveness of the HR function. Like financial auditing, it involves compiling and analyzing data for an extended period (usually a year) to reveal how well or how poorly HR is performing. An audit process can help in identifying the errors at what level and in which function. This can be a caution notice for the next level planning and implementation. Error is human but the costs of errors are irreversible in software projects and also lead to waste of productive hours of intellectual capital. Hence, human resources audit is closely associated with the quality of work, design, development of the products with the optimization of time and physical resources of software firms. With this motive, the current research is taken for the study to review, the HR audit environment, climate prevailing among the IT firms located in Chennai. This can pave a way to create awareness among the IT professionals on the importance of HR audit and also its importance in career development. A win-win and mutual understanding on the need and importance of HR audit practice is possible in the years to come. Hence, the present study is relevant and contemporary in nature.

### Human Resource (HR) Audit

Human resources are the people in an organization, so a human resources audit is a look at those people and the processes that put them in place to make sure the system is working efficiently. An HR audit also goes beyond looking at the hiring process into areas like employee retention, budgeting, training, employee compensation, management/employee relations and virtually any process or practice within the company that affects its people. A periodic Human Resource audit can qualify its effectiveness within an organization. Human Resource audits may accomplish a variety of objectives, such as ensuring legal compliance; helping maintain or improve a competitive advantage; establishing efficient documentation and technology practices; and identifying strengths and weaknesses in training, communications and other employment practices.

### Need for the Study

There is both practical and theoretical significance of conducting a research study of this nature. The potential gains that can be realized if the human resources audit practices are conducted at frequent intervals and identify the strengths and weaknesses of human capital and taking measures to improve the same. It also helps in establishing employer -employee relationship within the IT firms represents the practical significance of this study. It has already been alluded to such a relationship which would

be extremely beneficial for both parties. HR audit needs to be done as a holistic process and to find fault with the process and systems and mild indications to the employees about their performance gaps and highlighting the performance and potential skills of them in appositive note. Such holistic process needs to be performed by the behavioural and experienced experts can yield better results in both short and long run. In a way, it helps to optimize the resources utilization with possible minimum cost. The importance of this topic to the employees was demonstrated by many people who worked in both Indian and Foreign managed IT firms. This whole concept evolved into two key ideas that formed the basis of this research endeavor. The purposes of this study were to:

(a) Gain insight into the current state of HR Audit climate and Practices among the IT firms

(b) Develop a greater understanding of the issues currently affecting HR Audit and its impact on the performance of the employees and the firms in IT Sector.

### **Objectives of the Study**

To find out the relationship between HR Audit Practice and Performance of the IT Professionals in the sample./Sample area.

### **Research Methodology**

The present study is perceptual and qualitative in nature. The present study is described the profile of the IT firms and the environment prevailing and explore the some of the facts relating to HR Audit climate and Practice and the employees perceptions on the same and its relevance and relationship with the performance of the employees and the firm. . Among the different IT hubs in Tamil Nadu, the Chennai city has been selected for the present study. A few and prominent IT firms in the sample are IBM, CTS, Accenture, Oracle, HP, Polaris , Infosys, HCL, Wipro, TCS, Tech Mahindra, Steria, iGate, Inautix and Saskan. In addition to that small and niche but competitive in nature and specialized in services are rendered by some other are considered for the purpose of study and data collection. Initially a pilot study was conducted with 125 questionnaires and the reliability for the same was calculated by using Corn Bach's Alpha Score and found at 0.896 (89.6 Percent) as reliable. Ideally, the reliability coefficient above 0.5 is considered acceptable as a good indicator of constructing reliability (Nunnally, 1976), above 0.6 is treated satisfactorily (Robinson et.al., 1991), but alpha above 0.7 is considered sufficient (George and Mallery, 2001; Pallant, 2005).

Based on the same other IT firms were approached and met Human Resources Managers to get permission for the survey. Later final survey was started using the convenient sample technique (500 Questionnaires were distributed). The employees in the IT firms are not willing to share any information about the company and its practices. The myth of employees on the surveys is observed during the survey. Unless the purpose is clearly explained, majority of them are reluctant to respond. The employees are willing to express the reasons for change from one to other, the merits of the previous company where they employed and the other best practices of the competitor companies etc. In some of the IT firms, allowed to meet the employees during training sessions and relaxation centres. IT helped us to meet and explain the purpose of the survey to many at a time and create awareness and to obtain the data with ease.

The primary reason behind the adoption of convenient sample technique is time and co-operation from the sample respondents to get the real and reliable and free consent of the respondent. Employees working in IT firms are traveling from far of places and tightly scheduled with personal and professional commitments. In some of the cases, the survey is conducted at the employee residence, where he or she is free to spend some time to share their opinions. The e-questionnaires also send to known sources through google docs and collected. Both physical and electronic questionnaires were consolidated by thorough review of the collected questionnaires. On review, it is found that, 58 questionnaires in total found unusable due to errors of omission and dual entries and 442 samples were found suitable for the study. Data analysis is carried out with the same. The data and information collected from respondents pertains to the year 2015.

### **Frame work of Analysis:**

To understand the demographic features of employees of IT industries, descriptive statistics and frequency distribution are worked out. Simple correlation has been used to establish the associate relationship among the identified demographic features with performance of the employees and the performance of the firm dimensions. In order to identify the factors affecting individual performance and the performance of the firm, factor analysis has been adopted. In order to find out the role of individual factors on the performance of the firm and organizational factors impacting the performance of the employees, t-test and ANOVA is conducted. Similarly, to find out the relationship between the HRA practices and its impact on the performance of the employees and the firm is tested. The association between the demographics and the performance of the employees, the

association between the organizational and HRA practices and the performance of the firm is tested through chi-square test. A factor analysis is administered to group the variables influencing the HR audit climate, practice and perceived benefits of the HR Audit and dimensions of impact of HR audit on the performance of the employees and the performance of the firm. With a view to analyze the effect of demographic, organizational and HR audit practice dimensions on the performance of the employees and the performance of the firm, the multiple-regression model was formulated and carried out. Besides, mean score have been worked out for identifying the key dimensions of both demographic and organizational factors

## REVIEW OF LITERATURE

P.Krishnakumar & B.Elakiya (2014) The authors with main objectives to explain how Human resource auditing is necessary to protect the employee's interest, to motivate employees, to meet the challenges of trade unions, to improve the performance of human resources in the organization. An HR audit often involves gathering employee feedback and employees often find it easier to talk openly and share their opinions when talking to an external third party. According to Gary, "the primary purpose of personnel audit is to know how the various units are functioning and how they have been able to meet the policies and guidelines which were agreed upon; and to assist the rest of the organization by identifying the gap between objectives and results for the end-product of an evaluation should be to formulate plans for corrections or adjustment."

F.R. Alexxander pravin Durai, I.Adaikalasamy,(2014) the study identified the existing HR Audit practices and perception of Operating Engineers in Mando Automotive India LTD., The study states that HR Audit is a periodic review to measure the efficiency and effectiveness of Human Resource Management. Although there is no legal obligation to conduct HR Audit, it is considered important for improving the performance of human resource, controlling the cost of labor and meeting the challenges of the trade union. It is clear that study in the HR Audit sector is very limited. So it is necessary to find out the organizations that have HR Audit practices and to study on HR Audit practices perception of employees

The existing literature describes different approaches to HR auditing, including the legal approach, the function-based approach, and the strategic approach. All of them have been analyzed in this work. The legal approach centers on finding out if the company is complying with the current labor laws. Presently, it focuses mainly on the evaluation of the company's efforts in the prevention of work-related risks. The function approach analyzes the application of different HR policies. Several measurement systems have been presented with the same basic ideas, which include the study of planned measures, the method of implementation, and the results obtained. Yet, these two approaches are limited to the operational and tactical Fields, and do not evaluate if HRM supports or aids in the achievement of the company's strategy. This is why the strategic approach has been developed as a means of determining if the HR function is a source of competitive advantage for the company. This third approach, through the use of several systems such as the client-employee-benefit model or Brown's human capital index, can make the company's management aware of the true importance of its employees by identifying them as a key resource worth optimizing.

### Research Gap identified:

In all the above said literature, it is noted that, HR audit Practice, methods, process, issues and success factors and the benefits and limitations are studied. There is no concrete study measuring the impact of HR Audit on the performance of individual employees and the organization. Hence, the current study is relevant and contemporary for the study. The study is titled as "Impact of HR Audit Practices on the Performance of Employees in IT Firms, Chennai".

### Analysis & Findings of the Present Study:

Major findings of the study on the basis of descriptive statistics is presented below

- It is found from the analysis of table 4.9, that 65.8 percent (approximately 2/3<sup>rd</sup>) of the IT firms in the sample are practicing the HR audit and the 34.2 percent of the firms are not practicing the HR audit. The reasons could be size, compatibility, requirement and the other constraints like lack of infrastructure, no demand from the clients etc. However, a strict and commendable control on the performance of the employees is observed among these firms. Hence, it is advisable to introduce formally and creating awareness among the employees may help in standardizing the systems and procedures for the future.
- It is inferred from the table 4.11, that 15.8 percent of the employees in the sample survey perceived that the human resources audit influences the performance of the employees is strongly agreed, 47.5 percent are agreed for the same, 13.8 percent are somewhat agreed on the perception, 7 percent of the employees are not agreed the impact of HR audit on individual performance and 15.8 percent of the employees are not at all agreed for the perception of influence of HR audit on the individual performance among the employees in IT forms in the sample. It indicate that majority

of the employees agreed that the Human resources audit influences the individual performance in the IT firms. The disagreement of others may be due to lack of awareness and myth of loss of job and other individual attitude issues.

- The perception on the impact of HR audit practices on the performance of the firm is indicated as excellent impact by 67 respondents (14.7%) of the sample, 43.4 percent indicate very good impact, 19.5 percent perceived that a fair impact, 8.8 percent of the employees represent moderate level of impact and 13.6 percent perceived that no impact of the HRA practices on the performance of the firm. IT indicates that it is agreed that the Human resources audit is a motivating and control tool to improve the performance of the employees and the firm.
- It is understood from the table 4.13, that out of 442 sample respondents, 62 (14%) of them perceived that the practices of HR audit in their firm as The best and on par with the industry standard, 199 respondents felt that very good and suitable HR audit practice as their opinion, 83 respondents felt that the HR audit practice adopted in the company is good and customized to the requirements, 35 respondents perceived that as not so good like other competitors, and finally 63 respondents in the sample reveals that the need for improvement in the HR audit practices and no way comparable with the industry standards. It indicates a mixed opinion on the HR audit practices of the IT firms in the sample area and each company can think ahead and set a standard to reach the industry standard over a period of time. This can help in getting the best results from the practice of HR audit practice.
- It is noted from the table 1.14, that the prime factors influencing the adoption and practice of HR audit practices among the It firms in the sample area, indicated as 16.1 percent of the sample represents individual factors, 48 percent of the sample represents organizational factors, 14.9 percent of the sample represents environmental factors, 9 percent of the sample represents managerial reasons and 12 percent of the sample perceived as regulatory factors. Hence, it is concluded that organizational factors are the prime factors influencing the adoption and practice of HR audit practices among the IT firms in the sample area.
- It is noted from the table 4.17, that the primary motive to focus on Human resources audit is perceived as to have self evaluation by 10.2 percent of the sample, to satisfy clients requirements by the 30.8 percent of the sample, to assess future preparedness by 14.3 percent, to eliminate the unskilled staff by 11.3 percent and to improve the standards in quality of work by 33.5 percent of the employees in the sample working in IT firms in Chennai. IT indicates that HR audit is used as a tool to planning a controlling the performance of the employees and the performance of the firm in IT sector.
- The reasons for preferring HR audit by the employees working in IT firms in the sample are quoted in the table 4.19 that, 76 respondents (17.2 percent of the sample) as it helps to identify SWOT of the individual employee, 223 respondents(50.5 percent of the sample) perceives that HR audit reports helps to grow in the career ladder, 75 respondents (17 percent of the sample) perceived as HR audit is a bench mark for performance, 2.5 percent of the sample respondents perceived as grade points and pay scale goes up with the audit rank, and finally 12.9 percent of the sample respondents felt that HR audit helps to shift to better career opportunity. Hence, it is noted that HR audit serves many purposes of the employees working in It firms and it is all in the hands of the employees, how they want to use the HR audit tool to improve them in career growth and development.
- The primary factors influencing the HR audit practices among the IT firms in Chennai are Executive Leadership/ leadership co-operation(middle level ) with the mean score of 3.84 and standard deviation of 1.327, Employee Engagement and preparedness with the mean score of 3.90 and standard deviation of 1.249, Technology and company culture with the mean score of 4.03 and standard deviation of 1.199, Competitiveness and future planning attitude of management with the mean score of 4.04 and standard deviation of 1.183, Productivity of the employees and service quality with the mean score of 4.11 and standard deviation of 1.216, Economic/ financial irregularities-scams with the mean score of 3.97 and standard deviation of 1.218, Political interference and involvement with the mean score of 3.81 and standard deviation of 1.215, Social factors and media pressure on the HRA with the mean score of 3.82 and standard deviation of 1.292, Stakeholder initiatives- transparency with the mean score of 3.81 and standard deviation of 1.262. Indicates the influence of organization control variables like leadership, attitude of the management, stakeholders' protection policy and practice etc. Hence, it is inferred that organizational factors are the prime factors influencing the HR audit practices among the IT firms in the sample area.
- With the practice of HR audit, highly influencing dimensions of performance of the employees are Self evaluation and change in attitude towards organization and its importance among the employees with the mean score of 3.98 and standard deviation of 1.239, Practicing the skill development exercises with the mean score of 3.90 and standard deviation of 1.262,Improvement in the efficiency through Training and development with the mean score of 3.86 and



standard deviation of 1.238, Developing communication skills with the mean score of 3.99 and standard deviation of 1.197, Focus on interpersonal skills and team building with the mean score of 3.84 and standard deviation of 1.249, Focus on target completion and work culture and ethics with the mean score of 3.83 and standard deviation of 1.301, Performance in terms of quality of work completed/service quality with the mean score of 3.81 and standard deviation of 1.289, Overall job satisfaction is improved with the mean score of 3.87 and standard deviation of 1.257, indicates that, overall personality development of the individuals along with improvement in skill set and productivity is a positive note.

- Moderately influencing dimensions of employee performance by the HR audit among the sample firms are Learning and equipping the self for future challenges with the mean score of 3.72 and standard deviation of 1.332, Innovation and creativity at work is improved and client satisfaction with the mean score of 3.60 and standard deviation of 1.384 indicates that individual involvement and personal interest related aspects of learning and development.
- Impact of HR audit on the performance of the firms is impacted on the dimensions of stability and consistency of business growth indicated with the mean score of 3.88, improved level of competitiveness with the mean score of 3.86, venturing into new domains with the mean score of 3.92, venturing into new locations with the mean score of 3.81, risk management and control with the mean score of 3.81, management attitude towards human capital development with the mean score of 3.86 and preparedness for the future with the mean score of 3.98 among the sample.

## FINDINGS OF INFERENTIAL STATISTICS OF THE THESIS IS PRESENTED BELOW

- There is a significant relationship existing between the demographic factors with performance of an employee among the It companies in the sample area with 5 % level of significance.
- There is no significant relationship existing between the demographic factors with performance of a firm and the hypothesis is accepted at 5% level of significance.
- There is a highly significant relationship existing between the organizational factors with performance of an employee at 1% level of significance.
- There is no significant relationship existing between the organizational factors with performance of the firm among the sample It firms and significant at 5% level.
- There is a highly significant relationship existing between the HR Audit practices with performance of an employee at 1% level of significance the hypothesis is rejected.
- There is a highly significant relationship existing between the HR Audit practices with performance of the firm and the hypothesis is rejected at 1 % level of significance.
- There is a significant difference between the perceptions of the employees with regard to factors influencing HRA Practices among the IT firms and the hypothesis is rejected at 5% level of significance.
- There is a significant difference between the perceptions of the employees with regard to barriers in conducting the HR Audit practices among the IT firms.
- There is a highly significant difference between the perceptions of the employees with regard to perceived benefits HR Audit practices among the IT firms and the hypothesis is rejected at 1% level of significance.

## SUGGESTIONS AND CONCLUSION

The performance of the firm is necessary to serve and gain the trust and confidence of the stake holders. It is the duty of the employees and management together to act and proactive in accordance with the market demands and retain the good client base along with sustainable development of revenues, client base and market share. To do the same contribution from the employees, organization and HR audit practices can help in their own way. Hence all the three needs to be focused simultaneously.

- Design and development of best HR policies: Design and development of HR policies to attract the talented youth and to recruit, train and engage in business. HR audit acts as a pre-checker on the quality of resources and intellectual capital procuring and using in business.
- Dedicated and expertise HR team: Human resources is a key function in an organization. The duty of HR team is to

take care of the individual needs from basic and physiological to self actualization needs from time to time. As long as this happens in a clear manner the employees contribute the best to the firm and to the society in a way. Hence, HR team should act as a sensitive missionary and serve all with smile.

- Effective employee communication system: Communications in formal organizations play a major role in improving the performance and to improve the co-ordination and smooth functioning of the firms. Sometimes informal communications try to spoil the regular and smooth work flow. This can be avoided only through effective and good formal and effective communication system.
- Planned programmes for career growth and business sustainability: planned development is a permanent development. Hence, systematic and planned career development for employees and long terms and medium term plans for the firm and working accordingly can help to grow better, better and better in business. This lack among many leads to failures in business.

### **Conclusion**

It is noted that contribution of employees, organization environment and HR Audit practices are indispensable for the sustainable growth and development of the business in long run. Hence, a systematic planning and adoption of development schemes, effective implementation and follow up, revision of the schemes and plans from time to time can help in growing much faster, better and sustainable. Hence, HR audit can act as a catalyst for the individual growth and the organization development. Hence, Human resources audit can definitely help to improve the performance of the employees and the performance of the firm.

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# STRESS MANAGEMENT

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## ABSTRACT

Stress is a common phenomenon of modern life. Stress is generally due to conflict emanating from high aspirations and goal attainment. Stress may also result from indecisiveness and failure to cope with the demanding situation. Stress is common for all, but the degree varies which depend on various intra psychic and interpersonal factors. Stress prone people experience more health related problems and experience difficulties in interpersonal area. Although stress cannot be totally eliminated from the individuals life it can be minimized which may help in leading a healthy and prosperous life. It is thus quite important to discuss about some effective coping strategies to manage human stress.

## INTRODUCTION

Stress is a common phenomenon of modern life. Stress is generally due to conflict emanating from high aspirations and goal attainment. Stress may also result from indecisiveness and failure to cope with the demanding situation. Stress is common for all, but the degree varies which depend on various intra psychic and interpersonal factors. Stress prone people experience more health related problems and experience difficulties in interpersonal area. Although stress cannot be totally eliminated from the individuals life it can be minimized which may help in leading a healthy and prosperous life. It is thus quite important to discuss about some effective coping strategies to manage human stress.

## DEFINITION

It is the way human beings react both physically and mentally to changes, events, and situations in their lives. People experience stress in different ways and for different reasons. The reason is based on your perception of an event or situation.

## CAUSES OF STRESS

- The most frequent reasons for stressing out fall into three main categories
- The unsettling effects of change
- The feeling that an outside force is challenging or threatening you
- The feeling that you have lost personal control

Life events such as marriage, changing jobs, divorce or the death of a relative or friend are the most common causes of stress. Although life threatening events are less common, they can be the most physiologically acute. They are usually

associated with public service career fields in which people experience intense stress levels because of imminent danger and a high degree of uncertainty.

## **STAGES OF STRESS**

Stress may be ranged from mild to severe forms. Stress passes through four major stages. In the first stage the stimuli from the sense organs are sent into the brain. And then the brain perceives it either threat or no threat. If the brain regarded it as no threat then the stress is at normal level. Otherwise it leads to the third stage, where the body stays activated, aroused until the threat is over. In the fourth and last stage the body returns to the homeostatic stage, which a result in the physical and mental calmness...The first stage is alarm stage if this stage is prolonged the second stage occupies the position called resistance stage, where the arousal become slowdowns and compared to the first stage. If the stress continues for the long then the third stage occupies the place called exhaustion stage, which produce both psychological and physical illness.

### **\*Alarm Stage**

The alarm stage marks the first contact with the stressor. The individuals' nervous system immediately sends an emergency signal to brain. Stress leads to increased adrenaline to the blood stream. This in turn causes breathing to speedup. Blood flow to the brain and muscles increases, vision improves, blood pressure goes up, palm sweat and our mouth gets dry.

### **\*Resistance Stage**

Resistance stage occurs when one is unable to successfully deal with the stressor during the alarm stage body adapts to the presence of the stressor. Since the body is still fighting the stressor, the individual may become irritable, tired and less capable to handle the demanding situations. Resistance is a form of adjustment that lasts until the stressor stops. If the stressful situation continues the body continues the changes that started in the first stage.

### **Exhaustion Stage**

It comes when the body can no longer keep up with the demands of the stressor. Exhaustion only occurs if a stressor continues for long periods of time weeks, months or even years. When stress continues beyond the second stage and if you do not adhere to remedial measures the final stress stage of exhaustion settles in

## **STRESS MANAGEMENT**

The intensity of stress and the perception of stress are different from person to person, time to time and situation to situation, like this, the coping abilities and coping strategies also differ from person to person, time to time and situation to situation. Although there is difference of coping strategies there are some common coping strategies to live a healthy and prosperous life.

## **CONCLUSION**

Stress can have consequences far beyond temporary feelings of pressure. While you cannot avoid stress, you can learn to manage it and develop skills to cope with the events or situations you find stressful. By learning to cope up with stress, and by recognising the symptoms of depression and the warning signs of suicide, you will be better prepared to help not only yourself, but also friends, fellow students and all your well-wishers. Managing stress is the most needed tool in all hands for healthy and happy life,

# FORENSIC ACCOUNTING IN LIGHT OF COVID 19: INSIGHTS FROM INDIA

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## ABSTRACT

Internal Governance Controls are very essential for smooth functioning of a business houses also prohibiting financial crimes and frauds. Some of the causes for these frauds are stated to be lack of monitoring by the board, lack of transparency and negligence in drafting and verifying audit reports. The beginning of the 21<sup>st</sup> century was marked as an era of corporate scandals. Thus to cater to this problem came into light the concept of Forensic Accounting. Forensic Accounting or Financial Forensics is a specialised area to detect frauds and financial inconsistencies.

The main aim of this article is to find out the reasons why Financial Frauds occur in developing countries like India. It also looks at the scenario of frauds during the Covid-19 pandemic discuss the role financial forensics in this regard. It finally lays down certain recommendations that can be implemented to have a better prospect for Forensic Accounting in developing countries.

**Keywords:** audit reports, fraud, accounting standards

## INTRODUCTION

Internal Governance Controls are very essential for smooth functioning of a business houses also prohibiting financial crimes and frauds. Some of the causes for these frauds are stated to be lack of monitoring by the board, lack of transparency and negligence in drafting and verifying audit reports. The beginning of the 21<sup>st</sup> century was marked as an era of corporate scandals. Thus to cater to this problem came into light the concept of Forensic Accounting. Forensic Accounting or Financial Forensics is a specialised area to detect frauds and financial inconsistencies. Young and Leiner (2013), defines Forensic Accounting as “the application of investigative and analytical skills for the purpose of resolving financial issues in a manner that meets standards required by courts of law. Forensic accountants apply special skills in accounting, auditing, finance, quantitative methods, certain areas of the law, research and investigative skills to collect, analyse and evaluate evidential matter and to interpret and communicate findings”. Forensic engagements come under several categories economic damages, securities fraud, tax fraud, money laundering etc.

Tax frauds and developing countries have technically become synonymous over last two decades. According to a Accounting Today Report (2016) Governments worldwide loose about 3.1 trillion in annual revenue due to tax evasion and organisations also loose 5% to Frauds. This happens as companies deliberately hide their cash transactions from the government to save tax. In this case the reliability of the audit report is also questioned. But as per a study conducted by the ICAI in 2015 it is found that management and board of directors are involved in the fraud. However there can be several other reasons for the occurrence of corporate frauds. Another major reason for increase in such frauds is

The article further discusses the reasons of financial frauds in section (3), Problems of Forensic Accounting in India in

section (4). In section (5) it discusses about the status of frauds during pandemic and how financial frauds have occurred during Covid-19 pandemic. In section (6) we put forward some recommendations to minimise these frauds along with the concluding remarks.

## **OBJECTIVES**

- To understand the reasons of financial frauds in India along with the problems of Forensic Accounting.
- To look the scenario of frauds and how the risks of financial frauds have occurred during the Covid-19 pandemic and discuss the role of forensic accountants in this regard.

## **REASONS OF FINANCIAL FRAUDS**

As discussed earlier, developing countries have become a hub of financial frauds. It is very important to understand the reasons of such frauds. Well there is no exact evidence found as to why such frauds occur, but analysing the past financial scandals it can be stated that financial frauds occur due to the following reasons

1. **Lack of management information:** Several companies management do not provide timely and appropriate information regarding their books of an accounts and often don't monitor the financial transactions happening through the business accounts. Certain warning signals of fraud such as ongoing theft from bank account can be curbed if more attention is paid.
2. **Transparency:** Complex financial transactions are often not disclosed in the books of accounts as they are difficult to understand. These transactions are often pushed to 'dump account' to avoid proper accounting and auditing of the transactions.
3. **Inefficient accounting tools:** Reconciliation with accounting principles are and control tools such as Reconciliation from time to time are often overlooked. Thus the deviations and potholes are not well analysed
4. **Complex Organisational Structure:** Often the organisational structure is intentionally made so complex that it is very difficult to streamline the revenue process. It can be viewed as a strategy to distract revenue streams and hide the true picture from third parties and other stake holders. A classic example of this case is the Enron scandal in 2001
5. **Complacency:** Managers sometimes do not want to adapt to certain changed/updated techniques in viewing the activities of the organisation which often result in theft and also mishandling of information by the employees
6. **Lack of direction from senior management:** Leadership being a top down approach should come from the management. When the management gets involved in fraud itself e.g. adjusting their expense claims upward, the lower level management also start following it.
7. **Non Independent Internal Audit Department:** where an organisation's internal audit department is not independent, e.g. where it does not report to a truly independent audit committee but to the Finance Director, the more likely that when there are signals that a fraud is occurring the more likely they will be ignored. It is indeed interesting to note that Cynthia Cooper (Head of Internal Audit at WorldCom) had to bypass her boss (the CFO) and go directly to the audit committee to report the discovery of the capital expenditure fraud.

To solve the above mentioned problems, forensic accounting is one of the key specialisation areas. But Forensic Accounting faces a lot of problems in developing countries like India. Therefore we discuss the problems of forensic accounting in the next section.

## **PROBLEMS OF FORENSIC ACCOUNTING IN INDIA**

Forensic Accounting being an helpful and specialised field in detecting financial frauds suffer from serious problems. Though it is an extremely popular field in developed countries, developing countries have not recognised it's importance yet. Following are the problems with respect to the Indian context that can be a reason why Forensic Accounting is not recognised

in developing countries

- **Lack of Awareness:** the concept of forensic accounting is not well known in India in terms of tax payers, policy makers and government officials. A high level of knowledge about the process and benefits of forensic accounting can help to reduce the corporate frauds resulting in increase in government revenues as tax payers will be more cautious in financial reporting and auditing.
- **Legalities:** The legal framework for Forensic Accounting is not very well drafted in India. The application of Forensic Accounting in accounting of tax revenue is not defined under any tax laws. Though the Companies Act 2013 have opened it's doors to forensic accounting in it's amended version. We can find it's relevance in section 245, and 145. A statutory body was also formed in 2003 named Serious Fraud Investigation Office (SFIO) to detect corporate frauds but still India recorded 9 biggest scandals over a period of 2008-2019.
- **Shortage of Professionals:** The numbers of accountants specialised in Forensic Accounting are significantly low in India. India is a country with 6.8 crore tax payers in 2017-18 and only 2.8 lakh serve as finance professionals out of which less than 10% are certified forensic accountants. Though several training sessions on forensic accounting was conducted by ICAI over the period but it was not very fruitful as the applicability is not well defined.
- **Time Consuming:** Gathering and analysing the intricate details and proving them to be admissible in the court of law is very time consuming and not worthy of the wait.
- **Globalisation:** Globalisation of the economy where fraudster or tax evaders can hid anywhere in the world, this might led to problem of inter jurisdiction, recovery and punishment that will serve as deterrence.

## FRAUDS DURING PANDEMIC

With the advent of the Covid-19 pandemic the chances of fraud have increased in all sectors. The reason being the Fraud process begins when the executioner asks for credit from lenders using 'synthetic identity'. Synthetic Identity was always a problem for lenders but the Covid-19 pandemic has increased it considerably. According to Federal Trade Commission the 1<sup>st</sup> half of 2020 it self accounted for more than 70,000 frauds globally with a total loss of \$177.32M. According to the CFE reports In May, 25 percent of the CFEs polled reported seeing a significant increase in fraud, compared to 34 percent who are noticing a significant increase now. More anti-fraud professionals are seeing fraud increase in nearly every category. The largest growth was in insurance fraud (12 percent increase), loan and bank fraud (11 percent), financial statement fraud (11 percent), identity theft (10 percent) and employee embezzlement (9 percent). The AFCE reported that there has been a significant increase in financial statement frauds. It is 72% in three quarters and expected to rise. Here the roles of Forensic Accountants come into play and are extremely crucial. Accountants can help companies to manage the financial crisis ethically where managers are willing to cut corners during the Covid -19 pandemic. Companies that are fighting to survive during the economic downturn may also be pushing the line on what they can do to stay in business. In this scenario going for proper risk assessment techniques is not what companies generally opt for. However certain techniques which are used by companies during the Covid pandemic are stated below.

Ways in which companies tend to opt for fraud during Covid-19 pandemic are discussed as follows:

- **Overstatement of Revenue:** To make up for decreased consumer spending, companies may endeavour to deliberately fabricate revenue to boost bottom lines and show how management was able to persevere in a challenging customer/business environment.
- **Understatement of allowances and reserves:** Companies have numerous valuation accounts, allowances, and reserves including—but not limited to— those for inventory, accounts receivable, insurance claims incurred but not recorded, income taxes, and contingent liabilities. Management may be motivated to intentionally manage these reserves to avoid additional charges to the bottom line.

- **Manipulation of valuation and impairments:** Organizations use forecasts as a key element in the valuation of assets such as inventory, goodwill, financial instruments, investments (such as portfolio companies and debt/equity securities issued by entities), and certain long-term contracts. Disruptions to supply chains and the volatility in financial markets may result in organizational challenges to record such assets at their net realizable or fair values. Given the inherent uncertainty in valuing such assets in turbulent times, some companies may take advantage and consider intentionally delaying the recording of such losses or may attempt to overvalue certain assets in order to generate insurance recoveries.
- **Restructurings and heavy charges:** Given the strong probability of outbreak-related financial losses, affected companies may seek to write-off underperforming assets and/or record charges as part of larger organizational restructurings, sale, or closure of parts of their business that are either marginally associated with the impact from COVID-19 or not associated at all.
- **Capitalisation of expenses:** It may be tempting for companies to capitalize expenses and deduct them over several accounting periods rather than expense them immediately. Outbreak-related costs may be substantial, and executives may be inclined to spread the costs out over a few years, rather than expensing them when incurred.
- **Disclosure fraud:** Companies may be motivated to avoid fully disclosing the impact of COVID-19 on its overall business results, particularly with respect to risks, uncertainties, contingencies, and representations contained in their public statements, and regulatory filings. For example, particular concerns may arise regarding companies' or their counterparties' ability to satisfy contractual obligations. The disclosure should also include an assessment of whether reliance on force majeure provisions or common law principles of non performance may apply. The adequacy and sufficiency of such disclosures may lead to claims of securities fraud by regulators and investors.
- **Internal Controls over Financial Reporting (ICFR):** The current economic environment may result in increased fraud risks related to internal controls. As many organizations move to a virtual work environment, there is a significant risk that fraudsters may find new ways to override existing internal controls, especially those critical to ICFR. Such controls may include, but are not limited to: segregation of duties, delegation of authority, and information systems access. With a potential decrease in workforce, the rapidly changing nature of working environments, and the possibility of changes in individual responsibilities, modifications to existing controls may not happen with the same speed, or new controls may be implemented without sufficient testing of their design and/or effectiveness. Accordingly, the nature, timing, and extent of diligence performed in a changing control environment create increased opportunity for fraud.

Thus with this regard the role of financial forensics is very important. This will help in detecting the frauds and analyse the way to be it is to be mended. Thus the role of Forensic Accounting & Accountants is discussed in the next section

## **ROLE OF FORENSIC ACCOUNTING & ACCOUNTANTS**

From the above analysis we can understand that the role Forensic Accounting and Accountants are significantly important in this pandemic. Due to this pandemic some firms are becoming insolvent and some due to the fear of insolvency are not properly following their risk assessment techniques ending up with overstatement of revenues and charging high prices from consumers. Here the role of financial forensics is significantly important. Financial forensics can help a company identify the flaws in accounting which may in turn help in asset recoveries and benefit the creditors. The ability of forensic accountants to sift significant volumes of data to identify potential causes for a company's financial difficulties, including in some circumstances the misapplication of funds, can help to secure the best possible outcome for creditors by enabling recovery action against those responsible. For a forensic accountant there are often 'red flags' observed, which could indicate irregular



business practices in the past. For example, some obvious signs include a rapid decline in the value of assets which could indicate rapid disposals or overvaluation, high volumes of transactions with associated companies, or changes in balances owed on director loan accounts. Occasionally, the discovery of irregular or inaccurate accounting practices may also be a sign of underlying fraud. When there is evidence of unusual financial behaviours, it is then the job of forensic accounting specialists to investigate whether or not there is a clear explanation for this and it may show people obtaining financial benefit through dishonest or deceptive behaviour. They can then investigate how much has been obtained and follow through the money trail to see if the losses may be recoverable.

Depending on the circumstances, the review of historical financial performance may lead to restorative action being possible for the Insolvency Practitioner under various recovery provisions of the Insolvency Act 1986. These cover antecedent behaviours and thorough analysis might show that directors could be civilly liable for their past actions, including, in some circumstances, for wrongful trading. This statutory provision can render directors of a company liable for losses suffered if trading continues past a point at which they should have concluded that there was no reasonable prospect of the company avoiding an insolvent liquidation, or insolvent administration. They then have an overriding duty to take steps to minimise potential losses to the company's creditors and should they fail to stem losses personal liability can follow.

## **CONCLUSION**

Covid or No Covid the scenario of forensic accounting is not very stable in developing countries, but it is also understood that to cater to the reasons of financial frauds forensic accounting is the only solution. There are several problems of forensic accounting which need to be addressed. But the field of financial forensics look very promising in the near future specially with the pandemic. This is because the combination of tough economic conditions and the availability of government-backed wage grants and support packages means that the conditions are right for a rise in opportunistic fraud. At the same time, the lockdown restrictions and the large numbers of businesses claiming under such schemes are making it more difficult for organisations to address any financial shortfalls. In the business world, the lines separating best practice, acceptable practice and illegal business practice can sometimes become blurred. This can lead to identify wrong reasons of financial insolvency. Thus it is very important to identify right reasons and only forensics can help with that. This is because when instructed to investigate the financial position of a business leading up to the insolvency proceedings, forensic accountants will begin by gathering information related to the company before it fell into financial difficulty. This often leads to discovering of deeper and many financial issue. With the government suspending several provision from March 1<sup>st</sup> to September 30 has increased the chances of misplacement of funds of different companies thus the aftermath of calculating company losses have become more difficult.

With many businesses likely to be feeling the financial effects of coronavirus-related disruption in the months ahead, a further surge in insolvency cases is likely. Helping to get to the root cause of an organisation's financial problems, forensic accounting skills can help to restore value for creditors and mitigate the financial crisis resulting from the pandemic.

Lastly we provide certain recommendations to solve the problem of forensic accounting not only in respect with the current pandemic scenario but as a whole.

## **RECOMMENDATIONS**

Government should develop interest in forensic accountant for monitoring and investigation of tax fraud and other related fraudulent activities. Thereafter formalisation and specialisation of forensic accounting as a field of study in tertiary education and as a unit in organisation set-up. Also Accountant should specialises in forensic accounting practices. Furthermore Creation of law and regulations on the use of forensic accounting in combating financial and tax related fraudulent activities and crimes followed by Enforcement of Forensic Accounting Laws and appropriate punishing and stiffer sanctions for the defaulter of tax laws, to serve as deterrence. Presence of forensic accountants or forensic team in every organisation.

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# A STUDY ON FORENSIC ACCOUNTING AND FRAUD EXAMINATION

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## ABSTRACT

The research is focused on how Forensic accounting and Fraud examination is significant all over the world. Over the years, financial fraud has become more prevalent. This may come hand in hand with the rapid development of technology, etc. It is the role of a forensic accountant to help detect frauds at an early stage. Forensic accounting is the intersection of accounting and law. This study focuses on the part forensic accountants played in identifying an unforgettable scam that shook wall street known as the “Enron Scandal”. Later on, we would discuss further why do people commit frauds, what is the importance of forensic accounting, fraud examination skills that forensic accountants must possess, and more.

**Keywords:** *fraud, forensic accounting, law, detect*

## INTRODUCTION:

Forensic accounting uses a combination of accounting and investigative techniques to identify financial frauds. Forensic accountants must have the skill of collecting, analyzing, evaluating, and also have the ability to articulate the collected data at the respected venue (the courtroom). The financial information provided will play a major influence in the decision making related to the case as it would be valuable evidence. Therefore, it’s important to follow the conceptual framework of accounting (GAAP). A forensic accountant could also offer expert advice regarding business issues that may cause fraud. Frauds are common from households to white-collar organization. The reasons why they occur may differ for each individual. A few possible reasons could be personal problems, debt, loss of employment, and management pressure.

Significant scams have occurred all over the globe which has cost the economy monetarily on a macro and micro scale causing hardship for those affected. In order to avoid such misfortunes, forensic accounting must be made a statutory obligation to all as it will act as a preventive measure.

## OBJECTIVES OF THE STUDY:

- To examine the roles and functions performed by the forensic accountants to reach out a conclusion of the case.
- To study what all processes FAs keep in mind during an investigation and critical thinking.
- To study how we can go in-depth with evidence through measures like auditing and accounting.

## SCOPE OF THE STUDY:

The study focuses on the “Enron Scandal” based in, Houston, Texas, United States. We go into further detail showcasing how forensic accounting has aided this case by solving highly influential frauds such as these. This study will put forth the importance of forensic accounting in order to solve white-collar crimes such as this. Proving additionally why this is a highly sought-out profession and one with significance.

**RESEARCH METHODOLOGY:**

The present paper is focused on how forensic accounting assisted in unveiling the Enron Scandal. For the study, various websites, stating from Wikipedia, covering the articles related to the Enron Corporations financial fraud have been used. Also, for the forensic review of the scenario, the study adopts an exploratory research method. Series of recent scandals of the past have been referred too and have influenced how the paper has been put forward.

**TAKING UP THE CASE:**

Enron is a company that was formed in 1985 after a merger between Houston Natural Gas Company and the Omaha-based Inter North Incorporated. As a result of the merger, the former CEO of Houston Natural Gas Company Kenneth Lay a key member of all the financial frauds and the fall of Enron was appointed of the newly formed firm now known as Enron at the time. Shortly Kenneth Lay created Enron Finance Corporation and hired another future accomplice Jeffrey Skilling who also plays a major role in the crimes.

An early mark Jeff Skilling made to Enron was the adjustment from a traditional historical cost accounting method to a mark to market method (MTM). MTM aims to give a practical evaluation of a firm's financial statements, this method also leads to the assets and liabilities of a firm to fluctuate over a period of time. Some drawbacks come from the use of such methods. This would involve the manipulation of assets or liabilities during revaluation as it's not a cost-based method but a fair-value method. The establishment of this technique may have been the first sign of the downfall of Enron.

During the mid-90s Enron was celebrated for its innovation and was growing at an exponential rate. Later, a series of bad investments and business failures led to losses or no return on investment. On top of this, the recession of the 2000s affected Enron significantly, leaving investors and creditors with a fall in market cap (Value of share)

As a repercussion of these events, Jeffrey Skilling decided to hide the companies' financial losses through the use of mark to market method of accounting. This technique can work well when trading securities, but it can pose a problem when it comes to actual businesses as it takes into consideration the current market value and not the book value.

Enron decided to use the scheme off-balance-sheet special purpose vehicles (SPVs), these are special purpose entities (SPEs) to hide the companies' debts and toxic assets from investors. Similarly, this scheme would hide the companies' accounting realities instead of operating results.

Enron would transfer some of its rapidly rising stock to the SPV in exchange for cash or note. The SPV would eventually use the stock to hedge assets listed on Enron's balance sheet. In turn, Enron would guarantee the SPV's value to reduce, in order to avoid parties from defaulting from contractual obligation. With high default risk, it leads to a high premium from one party to another to compensate for the risk, this is known as risk premium and to avoid these such measures were taken.

SPVs are not illegal, but they could lead to a terrible outcome. On the other hand, SPVs were capitalized entirely with Enron stock, this took away the ability of the SPVs to hedge if Enron's share prices fell. Enron disclosed the SPVs' existence to the investing public, this in fact lead to a failure to adequately disclose the non-arm's-length deals between the company and the SPVs. Enron had the belief that their stock would appreciate, but this did not happen and therefore a decline in its stocks happened, this further lead to a fall in the value of SPVs, this forced Enron to take its guarantees' action to take effect.

After the fall in the companies' stock from over \$90 to \$1 in the course of a year, the SEC decided to open up an investigation for Enron's case. With careful review of financial statements by the SEC's forensic accountants, Enron's manipulations were put to light.

**Forensic Review on Enron's Financial Statements Fraud**

Forensic review post-bankruptcy done alongside the SEC, auditors from other stakeholders suggest that pre-bankruptcy there were many questionable aspects in the consolidated financial statements of the firms. These questionable aspects were caught on by a group of Cornell University business students who used the Beneish model to predict that Enron was manipulating their earnings in the year 1998. At the time, the Cornell students warned people but wall street ignored their advice.

Table 1

## Earning Manipulation Indicators from Beneish

Ratio	1995	1996	1997	1998	1999	2000	GAAP Violators	Control Firms
Days Sales In Receivable Index	1.644	0.989	0.625	0.872	0.955	1.376	1.269	1.199
Gross Margin Index	1.027	1.263	1.447	2.015	1.169	2.143	1.042	1.004
Asset Quality Index	0.922	1.136	1.308	1.062	1.064	0.771	0.937	0.807
Depreciation Index	1.039	0.946	1.017	0.852	0.956	1.109	0.981	1.021
SG&A Index	1.059	0.806	0.648	1.084	1.008	0.416	0.997	0.981
Total Accruals to Total Sales	0.010	-0.039	-0.005	-0.040	0.027	0.001	0.204	0.441
Sales Growth Index	1.022	1.446	1.525	1.541	1.283	2.512	1.431	1.379
Abnormal Return	0.232	-1.337	0.102	0.742	-0.534	-1.271	-0.325	0.011
Leverage Index	0.426	0.415	0.437	0.455	0.458	0.416	0.564	0.500
Probability Of Manipulation	0.018	0.257	0.035	0.024	0.087	0.392	-	-

Table 1 shows the earning manipulation indicator founded by Professor M. Daniel Beneish. It is an analytical model used to identify whether a company has manipulated its earnings. The model uses variables created from financial statements that create the M score which describes how much earnings have been manipulated.

Table 1 comprises of Enron's index data from 1995 to 2000 which will be used to compare with GAAP Violators and control firms used by the Beneish model. Firstly, the Gross Margin index throughout the five-year period uniformly exceeded the GAAP violators which is a negative sign as it could mean there is a decline in gross margin. This leads to pressure on management and could provide them incentives to "cook the books". Figure 1 may back this up as revenue increases substantially from 1999 to 2000. Secondly, you can notice in the asset quality index for four years, the value has been greater than one, which shows the tendency to defer cost. A possible method in which they could have deferred cost is by capitalizing intangible assets or expenses. This method improves the financial statements as the expense will be spread throughout the years. Just like the asset quality index, the depreciation index exceeded one. This will cause the company to try and slow depreciation. This in fact had incurred as if you look in figure 1 the depreciation value has stayed flat and not followed the trend stated by a forensic review. If you look closely at the table the year 1996 and 2000 with the probability of manipulation in 1996 to be 25.7% and 2000 to be 39.2% respectively. These data provide enough evidence instating there was a problem in the way Enron has reported its numbers. It also shows that auditors, institutional investors, and regulators should've been more insightful when looking at Enron's financial statements over the years and should've raised questions on how the performance of Enron's improved significantly in such a short period.

why revenue could've increased by such a large percentage in a year, in hindsight we can link this with the gross margin index and say this increase in revenue could be false and an effect of manipulated accounts. It is also unusual to see the lack of an increase in Operating expenses, Depreciation, and Taxes as it seems to not correlate with prior year ratios. This can also be linked again with asset quality index and depreciation index as the data provided by the two indexes state the firm may try to capitalize these expenditures to improve the way the financial statements.

An increase in current asset value by 415% in the year 2000 maybe seem absurd in retrospect as it is the year prior to the bankruptcy and liquidation complications they faced. Enron decided to inflate its assets to portray a much stronger statement of financial statement than what actually existed.

**CASE OUTCOMES:**

Sarbanes Oxley Act was enacted under which every company has to have a framework of internal controls. Auditors must sign both financial statements and on the effectiveness of internal control system. CEO and CFO must ratify the financial statements and therefore know about the company's position and performance.

**SKILLS MANDATORY FOR FORENSIC ACCOUNTANTS:**

Skills which forensic accountants must have are critical thinking and investigative. Critical thinking is the prowess to evaluate evidence and thus derive a judgment or conclusion based on a variety of information. Forensic Accountants have to find out and understand the sources of data gathered, which can be easily accumulated because of the involvement of technology such as cloud accounting. Forensic accountants will be required to compute streams of data from databases and enterprise systems of the companies, formal emails, financial statements. Forensic accountants must analyze every detail because the most minuscule data can turn out to be critical. Hence, critical thinking is foremost.

Next is investigative. Investigative is questioning everything related to the case and the personnel involved, conducting interviews, and examining pieces of evidence from trustworthy sources.

**SUMMARY AND CONCLUSION:**

“Things gained through unjust fraud are never secure” – quoted from Sophocles, an ancient Greek playwright. A Forensic Accountants must prove this quote true. It is proven that if it was not for the trained Forensic Accountants appointed by the U.S. Securities and Exchange Commission, an investigation into the Enron scandal may have never really been detected properly because of the huge amounts of manipulation in the financial statements of the entity. Further, letting large multinational companies believe they can manipulate loop-holes to their advantage and instigate detrimental activities to the economy.

Major Act was enforced subsequent to fraud detection. In this case, investors and creditors had to go through losses in order for new regulations to pass on. If forensic accountants are able to recognize financial frauds before-hand, individuals may not have to face such losses in order for beneficial laws to be passed down. Therefore, we can conclude that Forensic accountants could discover wrong-doings but also prevent fraud at its initial stage or restrict frauds of such kind in the future.

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# COVID 19 IMPACT ON BUSINESS SOME IN SIGHTS : A CASE STUDY

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## ABSTRACT

Job satisfaction is a key factor for enhancing the level of performance of the employees and productivity, profitability as well as. Job satisfaction depends on the various attitudes of the workers. Job satisfaction is a very important factor for Fire Work Industries to thrive and face competition. When workers are satisfied with their jobs, there is a possibility of enhancing the organizational image, improve productivity, improve the concentration in work, and so on. Therefore, the FWIs should provide all the necessary facilities for a better quality of work-life of their employees. This study has made an attempt to study how far the employees are satisfied with their job and their performance in the fireworks industry and the researcher has made an attempt to study the opinions regarding the wages, satisfaction with job factors, opinions about factory sanitation and cleanliness, the working environment, the welfare facilities, the relationship with management and so on.

What we know about the outbreak COVID-19 crossed an inflection point during the week of February 24, 2020. Cases outside China exceeded those within China for the first time, with 54 countries reporting cases as of February 29. The outbreak is most concentrated in four transmission complexes—China (centered in Hubei), East Asia (centered in South Korea and Japan), the Middle East (centered in Iran), and Western Europe (centered in Italy). In total, the most-affected countries represent nearly 40 percent of the global economy. The daily movements of people and the sheer number of personal connections within these transmission complexes make it unlikely that COVID-19 can be contained. And while the situation in China has stabilized with the implementation of extraordinary public-health measures, new cases are also rising elsewhere, including Latin America (Brazil), the United States (California, Oregon, and Washington), and Africa (Algeria and Nigeria). The US Centers for Disease Control and Prevention has set clear expectations that the United States will experience community transmission, and evidence is emerging that it may be happening already.

While the future is uncertain, it is likely that countries in the four mature transmission complexes will see continued case growth; new complexes may emerge. This could contribute to a perception of “leakage,” as the public comes to believe that the infections aren’t contained. Consumer confidence, especially in those complexes, may erode, and could be further weakened by restrictions on travel and limits on mass gatherings. China will mostly likely recover first, but the global impact will be felt much longer. We expect a slowdown in global growth for 2020. In what follows, we review the two most likely scenarios for economic impact and recovery and provide insights and best practices on how business leaders can navigate this uncertain and fast-changing situation.

Around the globe, societies are in lockdown, and citizens are asked to respect social distance and stay at home. As we are social beings, isolation may be harmful for us (Cacioppo & Hawkley, 2009). Feelings of loneliness have, among other things, been connected to poorer cognitive performance, negativity, depression, and sensitivity to social threats. There are indications that this is happening during the current pandemic, as there has been an increase in domestic violence, quarrels among neighbors, and an increase in the sales of firearms (Campbell, 2020). However, we have also seen an increase in other, more positive types of behavior caused by social distancing that have not been researched. People have started to nest, develop new skills, and take better care of where they live. For instance, they may learn how to bake, try to get fit, do a puzzle, or read more. There has also been an increase in purchases of cleaning products, and more trash is being recycled. At the same time, we are eating more junk food and cleaning ourselves less. People are also stockpiling essentials, panic buying, and escaping to rural areas. This is an indication that what is happening to us and our behaviors is complex, and it would be interesting to study this phenomenon further.

Another consequence of the lockdowns is the extreme increase in the usage of Internet and social media. Previous research has indicated that humans who feel lonely tend to use social media more and, in some cases, even prefer social media over physical interaction (Nowland, Necka, & Cacioppo, 2018). Social media also may bring out the worst in us through trolling or sharing of fake news. This is, to some degree, not as damaging as the “real life” is lived in the physical world and the Internet is an “add on” with, in most cases, limited impact on the physical world. By this, we are able to compartmentalize and distinguish what matters and what does not matter. However, the current situation has made social media the main mode of contacting or socializing with others. In many cases, the Internet is at present also the main way to get essential supplies and receive essential services, like seeing a doctor.

The COVID-19 outbreak is likely to cause bankruptcy for many well-known brands in many industries as consumers stay at home and economies are shut down (Tucker, 2020). In the US, famous companies such as Sears, JCPenney, Neiman Marcus, Hertz, and J. Crew are under enormous financial pressure. The travel industry is deeply affected; 80% of hotel rooms are empty (Asmelash & Cooper, 2020), airlines cut their workforce by 90%, and tourism destinations are likely to see no profits in 2020. Furthermore, expos, conferences, sporting events, and other large gatherings as well as cultural establishments such as galleries and museums have been abruptly called off. Consulting in general and personal services, like hairdressers, gyms, and taxis, have also come to a standstill due to lockdowns. Finally, important industries like the car, truck, and electronics industries have abruptly closed (although they started to open up two months after their closure). There are an endless number of questions we could ask ourselves in connection to this rather abrupt close-down.

While some businesses are struggling, some businesses are thriving. This is true for a number of Internet-based businesses, such as those related to online entertainment, food delivery, online shopping, online education, and solutions for remote work. People have also changed their consumption patterns, increasing the demand for takeout, snacks, and alcohol as well as cleaning products as we spend more time in our homes. Other industries that are doing well are those related to healthcare and medication as well as herbs and vitamins. Typically, when studying markets, it is assumed that they are static, a natural conclusion since they tend to change slowly.

#### PREDICTED LASTING PERIOD.

Small businesses employ almost 50% of American workers. Yet, our results underscore the financial fragility of many small businesses, and how deeply affected they are by the current crisis. We found that 43% of businesses were temporarily closed and that employment had fallen by 40%. This represents a shock to America’s small firms that has little parallel since the Great Depression of the 1930s. Our results suggest that many of these firms had little cash on hand toward the beginning of the pandemic, which means that they will either have to dramatically cut expenses, take on additional debt, or declare bankruptcy. This highlights the ways in which the immediacy of new funding might impact medium term outcomes.

Small businesses’ responses to our survey suggest that many are likely to fail absent financial assistance. As of the last week of March 2020, 38% of businesses viewed it as unlikely or only somewhat likely that they would be open as of the end of 2020. While optimism increased when they were informed about the CARES loan program, it is unclear whether the CARES act will enable most of America’s small businesses to survive—or whether beliefs about its impact are overly optimistic.

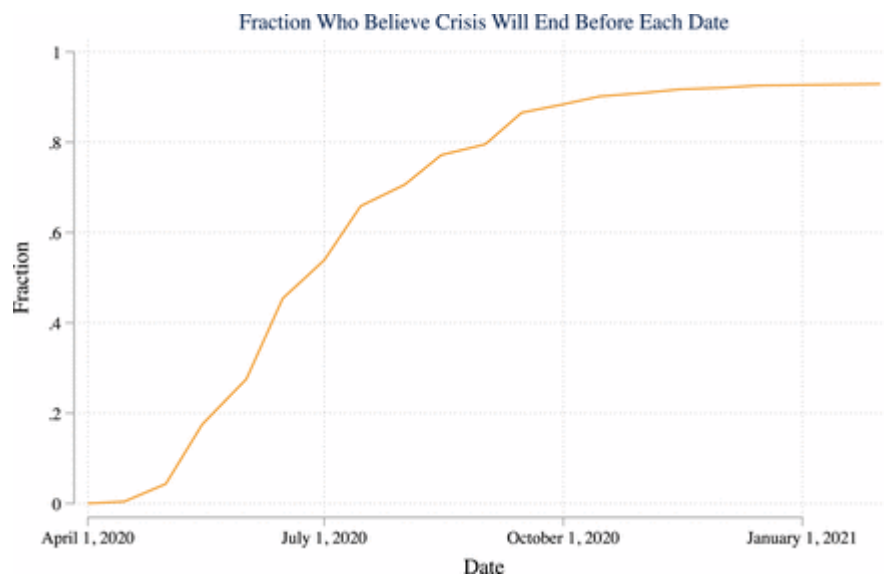
#### THIS SPECIAL ISSUE.

The crisis duration plays a central role in the total potential impact. For a crisis lasting 4 mo instead of 1 mo, only 47% of businesses expected to be open in December compared to 72% under the shorter duration. There is also considerable heterogeneity in how sensitive businesses are to the crisis. In-person industries like personal services or retail reported worse prospects for riding out the pandemic than professional services or other sectors with minimal need for face-to-face contact. Lastly, our analysis explores variants of stimulus packages that were being discussed at the time of the survey. The results show that over 70% of respondents anticipated taking advantage of aid when asked about a program that resembles the Paycheck Protection Program (PPP) that is part of the CARES Act. Moreover, they expected this funding to influence other business decisions—including layoff decisions and staying in business altogether. At the same time, many businesses were reluctant to apply for funding through the CARES Act because of concerns about administrative complexity and eligibility. A large number of respondents also anticipated problems with accessing the aid, citing potential issues such as bureaucratic hassles and difficulties establishing eligibility.

The fate of the 48% of American workers who work in small businesses is closely tied to the resilience of the small business ecosystem to the massive economic disruption caused by the pandemic. Our survey was conducted during a period of substantial policy uncertainty and before any federal response had been enacted. Our results provide a unique snapshot into business decisions and expectations at that time, while offering insight for policy designed to aid the recovery. Our results highlight the role the length of the crisis will play in determining its ultimate impact, which policy makers should consider as they contemplate the scale of the required interventions. We estimate that closures alone might lead to 32.7 million job losses

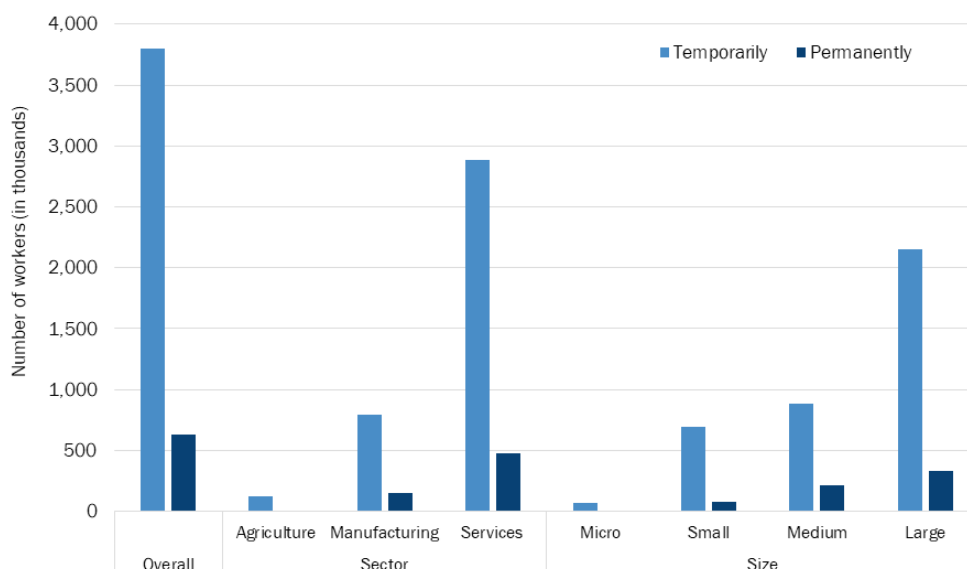
if the crisis lasts for 4 mo and 35.1 million job losses if the crisis lasts for 6 months.

### DATA ANALYSIS AND RESULTS DISCUSSION



The firms were not particularly confident about their answers. Fifty percent of respondents reported their confidence level as 5 or less on the 1 to 10 scale. Sixteen percent gave their confidence a 2 or less. Their uncertainty highlights the broader uncertainty that was present throughout the world at the time. This chart shows the histogram of responses about whether firms will be open on December 31, 2020. Overall, more than 90% thought it is at least somewhat likely that they would be open. More than 63% reported that it is very or extremely likely that they would be open—which we later use as a measure of the probability of being open. A growing literature has found entrepreneurs to be overoptimistic about their prospects. This suggests that true survival rates may be even lower than predicted by businesses.

**Figure 1. If you have laid off or foresee laying off some workers temporary or permanently in next six months due COVID-19, please provide estimates of the numbers.**



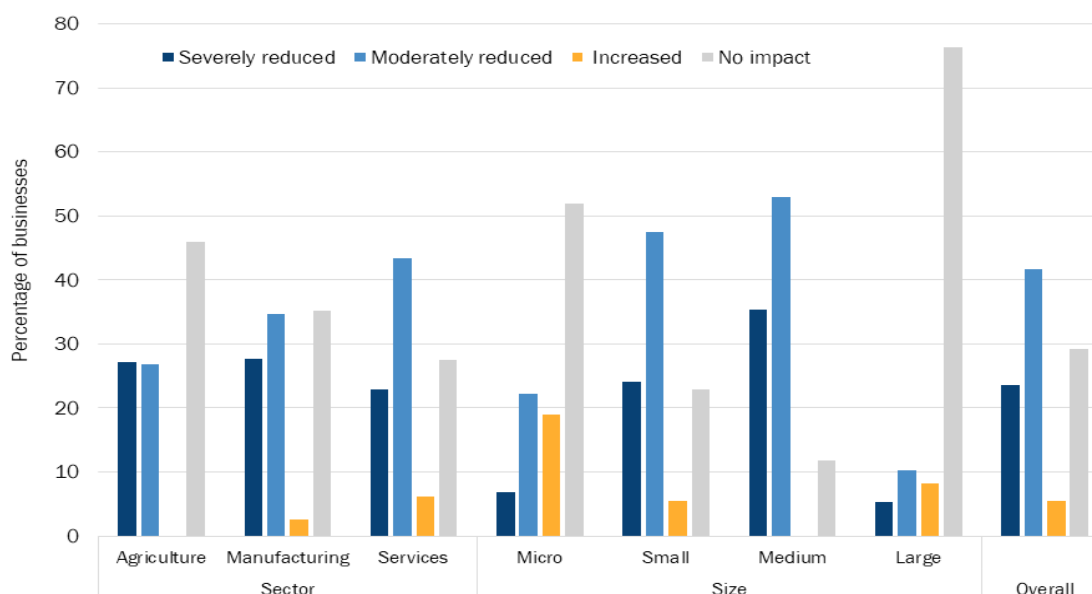
Source: Rapid BCI survey April 2020

BROOKINGS

In addition to the lower demand and higher costs of safety measures, responding businesses shared other worrying concerns, including lessened production and productivity, reduced supply of inputs, and credit and liquidity constraints. Indeed, risks associated with COVID-19 have exacerbated preexisting credit and liquidity constraints among micro, small, and medium

enterprises (MSMEs). Indeed, 69 percent of businesses surveyed reported a decline in access to credit, with 34 percent experiencing severe decline (a more than 50 percent decline in credit) (Figure 2).

**Figure 2. How has the outbreak of COVID-19 affected your ability to repay outstanding loan balances?**



Source: Rapid BCI survey April 2020

BROOKINGS

Our analysis also shows that the majority of small and medium businesses, particularly in manufacturing, have experienced a severe decline in access to inputs, alluding to the risk of overreliance on international rather than regional or domestic supply chains for raw materials and intermediates. This finding calls for firms to explore the possibility of regional or domestic value and supply chains to stabilize their sources of inputs, while also saving on scarce foreign exchange.

**Table 1. Reported likelihood of remaining open by industry and hypothetical crisis duration**

Industry <i>n</i>	1 mo	4 mo	6 mo		
Retailers, except grocery	490	0.68	0.35	0.34	
Arts and entertainment	281	0.66	0.45	0.35	
Banking/finance	148	0.78	0.61	0.60	
Construction	383	0.72	0.43	0.45	
Health care	395	0.78	0.47	0.35	
Other	1,384	0.76	0.48	0.38	
Personal services	168	0.57	0.40	0.19	
Professional services	201	0.79	0.64	0.55	
Real estate	93	0.74	0.57	0.58	
Restaurant/bar/catering	163	0.74	0.29	0.19	
Tourism/lodging	145	0.63	0.50	0.25	
Total	3,851	0.72	0.47	0.39	
Rewighted to Census bysize Retailers, except grocery	andregion 485	0.69	0.35	0.34	
Arts and entertainment	271	0.66	0.45	0.36	
Banking/finance	144	0.78	0.64	0.62	
Construction	372	0.72	0.42	0.46	

Health care	386	0.77	0.47	0.37
Other	1,361	0.76	0.48	0.39
Personal services	167	0.56	0.37	0.19
Professional services	197	0.79	0.62	0.56
Real estate	93	0.72	0.55	0.59
Restaurant/bar/catering	160	0.75	0.35	0.19
Tourism/lodging	143	0.65	0.52	0.23
Total	3,779	0.71	0.47	0.39

Table 1 displays the responses to this question by industry. When firms are told to expect a 1-mo crisis, the expectation of remaining open by the end of the 2020 hovers above 68% across all industries, with the exception of arts and entertainment, personal services, and tourism and lodging. In those industries, the expectation of remaining open drops to 66%, 57%, and 63%, respectively. When firms are told to expect a 6-mo crisis, the average expectation of remaining open falls to 39%, and there is significant heterogeneity between sectors. The expected survival probability for firms in Arts and Entertainment drops precipitously to 45% under a 4-mo crisis, and 35% if the crisis lasts 6 mo. The expected probability of being open for Personal Services firms falls to 19% if the crisis lasts 6 mo.

The restaurant industry also seems particularly vulnerable to a long crisis. Restaurateurs believed that they had a 74% chance of survival if the crisis lasts 1 mo, but if the crisis lasts 4 mo, they gave themselves a 29% chance of survival. Under a 6-mo crisis, they expected to survive with only a 19% probability. Likewise, the chance of survival for firms in tourism and lodging drops to 25% by the 6-mo mark. Meanwhile, banking and finance, real estate, and professional services reported they will be able to weather extended disruptions far better than these more exposed sectors.

**Table 2. Extensive margin separations arising from firm closures over different hypothetical crisis durations (all numbers in millions)**

		2017 Census	if crisis lasts		
January employees	Firms	Employees	1 mo	4 mo	6 mo
Under 5	3.7	5.9	1.6	3.1	3.6
6 to 24	1.8	18.1	4.8	10.5	12.1
25 to 49	0.3	9.5	1.6	4.4	6.9
50+	0.3	26.8	5.8	14.6	12.5
Total	6.1	60.4	13.7	32.7	35.1

Table 3 estimates the impact of COVID-19 on aggregate job loss from small business closures and how businesses expected this to vary with crisis duration. The first row shows that there were 5.9 million workers in firms with fewer than five employees in 2017. In our survey, 43% of those smaller firms expected to be closed in December even if the crisis lasted for only 1 mo. These smaller firms are extremely fragile, but, since they represent a relatively small share of employment, their closures add only modestly to overall job losses. Firms with over 50 employees are more optimistic about their survival, even if the crisis lasts for several months. Yet, even among these firms, 54% expected to be closed in December if the crisis lasts at least 4 mo. Those closures would create 14.6 million separations. This figure may be an overestimate, because this firm size category is large, and the closure rates may be lower for larger firms. These results suggest that the damage to our economy and its network of small businesses will be far larger if the crisis lasts for many months. This suggests large potential economic benefits for policies that can safely lead to reopening the economy quickly.

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# STUDY OF GLOBAL SUPPLY CHAIN IN POST PANDEMIC WORLD

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## ABSTRACT

Supply chains are considered to be the veins of businesses among nations. Outbreak of Covid 19 tremendously affected the chain and made it a rusted one. The pandemic created new challenges to encounter for the supply chain managers and experts. The safety methods such lockdowns made the supply chain struck, Covid made a huge drastic change in demands. Supply chains after the pandemic should be more versatile and prepared to encounter forthcoming uncertain situations in future. Usage of block chain is deeply discussed. Supply chain collaboration, using block chain can make the supply chain prepared to encounter uncertainties in future seamlessly.

It has become an obvious fact that Technology plays a huge role in our future. Similarly, the solution for the revival of the Global supply chain from the pandemic is mostly going to be done through the use of technology and digitalizing all the supply chain activities. From warehousing to distribution and till retail, everything can be simplified by the use of technology. It is encouraged for all the companies and industries to see digitalizing and the use of technology as an investment and not a cost.

## **Challenges faced by global supply chain in post pandemic era:**

### **Lockdown and government restrictions:**

Covid-19 made a tremendous impact on global livelihood. Governments all around the globe were forced to announce lockdowns to control the spread of the virus. Many were faced catastrophe due to implementation of lockdowns and restrictions; supply chain is not an exemption to it. Sudden lockdowns and restrictions were a direct challenge to the supply chain, affecting its ability to satisfy the consumer demand within the least convenient opportunity.

Temporary closure of factories led the supply chain not to meet its demand. Restrictions and safety guidelines were limiting the workforce strength and capacity of the factories to produce which made the chain unable to satisfy the demand. Moreover it created a challenge for the supply chain experts to think the solution to rectify this hindrance in the future.

Closure of stores and shops made the people around the globe rethink the store design and to make a seamless store experience for consumers even during future uncertainable conditions.

### **Global coordination and political cooperation are needed:**

Pandemic transcending national and administrative borders cannot be effectively dealt with bilaterally or between a limited number of countries. Our ever-more-interconnected world requires a comprehensive, systematic and coordinated approach at a global level.

The UN Global Compact is thus calling for a coalition of willing governments to champion the issue and raise awareness for the importance of protecting global ocean supply chains. The next step should be to establish an emergency Ocean Supply Chain Task Force, consisting of governments, UN specialized agencies and industry associations, including airlines.

### **Changes in demand:**

Pandemic made a drastic change in demand for commodities. People started buying essential goods in higher quantities due to the fear of shortage. Moreover due to less working population in factory it turned unable to meet the drastic increase of demand in terms of essential goods. Demand for luxury goods and fashion products fell to the ground, stocks were unsold and sellers were forced to reduce the price to boost sales.

## Increase in usage of e-commerce:

In the past month experts are witnessing a change of pace of consumer behavior. There is a drastic increase in usage of ecommerce channels by the people, due to closure of physical store higher crowd in stores which are opened for essential purposes. Fear of visiting stores due to Covid made people switch to e-commerce mediums. Grocery sales through e-commerce touched the 300 percent increase in sale rate due to the transition of people

## Block-chain and supply chain:

### What is block chain?:

**Block chain** is an internet-based technology that is prized for its ability to publicly validate, record, and distribute transactions in immutable, encrypted ledgers. The technology was invented to support transactions in bit-coin, a digital **crypto currency** that operates independently from a central bank.

### How block helps supply chain:

Block chain can enable more transparent and accurate end-to-end tracking in the supply chain: Organizations can digitize physical assets and create a decentralized immutable record of all transactions, making it possible to track assets from production to delivery or use by the end user. This increased supply chain transparency provides more visibility to both businesses and consumers.

Block-chain can drive increased supply chain transparency to help reduce fraud for high value goods such as diamonds and pharmaceutical drugs. Block-chain could help companies understand how ingredients and finished goods are passed through each subcontractor and reduce profit losses from counterfeit and gray market trading, as well as increase confidence in end-market users by reducing or eliminating the impact of counterfeit products.

Furthermore, businesses can maintain more control over outsourced contract manufacturing. Block-chain provides all parties within a respective supply chain with access to the same information, potentially reducing communication or transfer data errors. Less time can be spent validating data and more can be spent on delivering goods and services—improving quality, reducing cost, or both.

Finally, Block-chain can streamline administrative processes and reduce costs by enabling an effective audit of supply chain data. Processes involving manual checks for compliance or credit purposes that may currently take weeks can be accelerated through a distributed ledger of all relevant information.

## **Supply chain collaborations:**

### **Planning and procurement:**

One of the key learning's from the pandemic has been to hedge risks associated with being overly dependent on a limited set of suppliers or a single geography for procurement needs. Enterprises have realized that diversifying their upstream sourcing a larger group of vendors spread across multiple geographies is critical to ensure that inflow of raw materials and critical components can be effectively managed, even when a particular supplier or country is unable to fulfill their demand. Building this resilience in the supply chain comes with the added risk of dealing with new suppliers and ensuring that contractual obligations are clearly agreed upon and consistently met.

Having concrete evidence of suppliers adhering to contract terms, quality standards and safety guidelines is imperative, in addition to continuous monitoring of operational aspects and procurement done through them. With the supplier ecosystem connected on a common block-chain network, enterprises can track the on boarded suppliers and capture their corresponding metrics in a more transparent manner to confidently conduct business with them. For instance, aerospace designer and manufacturer Moog Inc. has leveraged smart contracts with a range of suppliers, generating multiple purchase orders that detail the parts and components to be delivered, the price, and the delivery dates for diversifying their sourcing. With supplier data securely available to relevant departments with the enterprise in near real-time, reconciliation errors and disputes around procurement and admin overheads can be drastically brought down. The US General Services Administration is developing a solution to reduce the review process for awarding IT contracts through block-chain and bring it down to from several weeks to couple of days. Block-chain can additionally be integrated with advanced analytics to build a consolidated supplier scorecard that can help incentivize the right set of suppliers.

### **Manufacturing and production:**

While core manufacturing is largely considered an intra-organization function, a broader view spanning across multiple plants, with real-time tracking of stock levels, equipment state, maintenance records and overall factory health can further optimize production processes. The post-pandemic world is expected to continue witnessing sudden spikes in supply and demand; and manufacturers need instantaneous insights into inventory levels and output across their plants to deal with these changes in a cost effective manner. Manual intervention can be reduced through smart contracts deployed on a block-chain by triggering replenishment orders automatically to appropriate suppliers, as the network will provide a unified yet controlled view of key inventory data received through integrated ERPs of various suppliers and OEM plants.

Automated invoice generation can also be achieved through smart contracts that are able to refer appropriate versions of digitized contractual terms as well as data pertaining to delivery fulfillment on the same block-chain network. Seamless invoice processing ensures that suppliers and manufacturers can trust the single version of network-generated invoices; payments can thus be processed faster. Reconciliation efforts to match invoices against purchase orders and actual deliveries are also eliminated, hence, saving costs for both parties. Block-chain savings in freight spend are pegged at least 5 percent through improved invoice accuracy, reduction of overpayments, and disintermediation of third party service providers.

### **Asset tracking and logistics:**

Tracking shipments from first mile to last mile across each of the stakeholders along the various legs of the product journey has remained a crucial need for supply chains even before the pandemic disrupted the world. Only A single shipment may produce a pile of around 200 communication documents, and the expense of handling and managing this documentation is evaluated to make up one- fifth of the total cost of transportation.

With countries enforcing lockdowns and closing their borders, near real-time visibility into container positioning and regular updates on cargo movement has now become paramount for continuity of business operations. Improved predictability around delivery of containers is possible by integrating Block-chain with IoT sensors, to automate decisions around subsequent scheduling of fleets, determining alternate shipping routes and reducing errors in the freight process. Carriers, many of which are operating at partial capacity due to pandemic challenges, can expect massive cost savings through sharing digitized versions of trade documents and other certificates on block-chain networks.

The current time for sharing bill of lading can be brought down from 10 days to 20 seconds, and issuance of letter of credit can be brought down to 4 hours from seven to ten days. Single version of these digital trade documents are also made available to logistics partners, BCOs, shippers, brokers and custom authorities connected through Block-chain. These are bound to reduce gate- in and gate-out times at ports, as waiting on paper-based artifacts and an extended verification process can be eliminated. Eventually, we see faster delivery of shipments and translating to annual savings to the tune of \$4 billion.

### **Compliances and sustainability:**

All tiers of a supply chain expend significant efforts in complying with established local guidelines, as well as towards meeting quality standards expected from target markets of finished goods. This process has assumed a more stringent dimension owing to practices that enterprises are putting into place to ensure their products are acceptable in these times of a global pandemic. Governments and regulators across the world have also laid down norms for enterprises around social distancing, employee health and safety



procedures to be followed during production. Block-chain, through its inherent capability of immutable transactions, can establish this trust around adherence to these practices and provide this as concrete evidence not just too downstream stakeholders of the supply chain, but also to end consumers.

By integrating IoT sensors and biometrics with the underlying network, organizations can capture proof of source, people involved, processes and product certifications in an automated fashion; thus, bringing down costs associated with quality assurance and redundant paper-based audits. Block-chain makes it easy to administer certificates and licenses more efficiently in order to fight fraud and avoid situations faced by the Philippines in 2016, when the Department of Agriculture cancelled and recalled all import permits on meat products to tackle meat import fraud, having found that old permits were being recycled to smuggle imports.

Even in the post-pandemic era, digital certificates that accurately capture environmental, social and economic impacts, and link them to business transactions at various stages of the supply chain can continue to enhance business and consumer confidence around compliance to fair trade and sustainability practices.

### **Distribution and retail:**

With the world economy reeling under the pandemic impact, distribution warehouses and retail stores are facing challenges in sensing demand, leading either to stock-outs or excess inventory. Block-chain networks can help improve visibility by providing an aggregated view of inventory levels across distribution centers and other channels. Real-time updates of purchases can be captured by integrating the network nodes with POS and online systems of participating stakeholders to ensure that demand variations can be anticipated faster and more accurately, thus enabling distributors and retailers to plan for fulfilling consumer demand through alternative sources. In one such trial, a business to business logistics platform used block-chain in conjunction with machine learning algorithms to enable 220 small food retailers in Kenya, increasing their order size by 30 percent and improving profits for each of the retailers by nearly 6 percent.

Delivering products ordered online is fraught with risk both for delivery teams as well as end consumers receiving their booked orders, as state and federal governments have tagged COVID-19 hotspots and imposed restrictions in containment zones. By bringing state agencies together with last-mile logistics companies on a common network, information related to safe zones, health conditions of individuals, pending deliveries across e-retailers can be assimilated. Smart contracts can leverage this consolidated information in an anonymized manner to trigger appropriate routes, identify priority deliveries and determine delivery protocols in real-time to ensure safety of delivery folks as well as receivers. Adherence to sanitization procedures can continue to be recorded through sensors and pushed to the other network participants, thus preventing spread without compromising on privacy of individuals.



## **Preparation for the future and to being all the operational activities of Supply Chain in the post pandemic situation:**

### **Reorganizing the workplace**

With all the social distancing regulations, it is essential to completely do over the conditions at the workplace so as to ensure safety of all the employees and to allow all the activities to restart in full force and complete efficiency.

#### **Warehouse & Yard management**

It consists of everyday warehouse processes and the basic flow of activities like Receiving, Put away, Planning and Order fulfillment and other related processes.

### **How is the post covid-19 industrial workplace going to function?**

In mid-April it was reported that a dozen workers at a Ford plant in Plymouth Michigan were “experimenting with wearable social distancing devices that could be used more extensively once the carmaker reopens idled manufacturing plants.”

The smart watches, a joint effort between Samsung Electronics and Radiant RFID, use Bluetooth technology “to detect proximity and clustering of workers.” If two people are standing too close to one another, the watch will vibrate and display a color-coded, “danger Will Robinson” warning that tells them to break it up.

Ford also announced that it expects to use thermal-imaging scanning technology as workers enter a facility to look for fever and to provide workers with masks and plastic face shields. This is just one example of the efforts put by a leading car manufacturing industry to overcome the downfall of the Global supply chain, being backed up by major Technology and electronics companies such as Samsung.

There has to be a serious investment made into technology again to carry out Yard management. Transportation and warehouse management providing real time information on the location of the trucks and trailers in the yard and overall optimizing the yard activities is very much possible through advanced technology. Companies are in a major dilemma as to how and when to re-open shuttered factories and plants and get all their operations and facilities to go forward and get them moving. Industries have always looked for solutions to operate in an efficient and cost-effective way; now, it will also struggle with new issues related to preventing the spread of a virus - either COVID-19 or whatever is around the bend.

### **Prioritizing the arrival of urgent goods:**

In order to mitigate the impact of disruptions from upstream suppliers providing components and raw materials and maintain production levels, it is key to have the ability to re-plan arrivals in near real-time.

Scheduling of loading and unloading activities at loading bays, appointment scheduling, arrival and route management of vehicles at logistics centers are part of prioritizing the arrival of urgent goods. Improving the overall management and reducing the transport and logistics costs is the main mission.

### **Meeting the customer where they are with dedicated E-Commerce solutions:**

With the huge rise in demand for online grocery, most grocery retailers found themselves unprepared to meet the overwhelming amount of orders, showing limits in the speed of order picking and delivery capacity; while some smaller chains did not offer these types of service at all.

One thing we can do is facilitate the In-store picking concept. It's the process of preparing E-commerce orders directly in the store. It is best suited for retail and grocery chains with multiple points of sale who want to provide E commerce services to customers. This concept of E-commerce supports the entire process of distributing orders to operators, picking and scanning items, managing substitutes or loose goods and identifying orders for pickup and delivery. The benefits are that it's easy to use, there are fewer picking errors, it's cost effective, fast and mostly involves self-service and has low impact on existing operations.

Delivery, Pickups and Track & Trace: It is facilitating last mile delivery management and certification available on smart phones and rugged terminals. It manages trip compositions, route optimizations, loading, returns/pickup, real-time status updates to customers, driver notifications, different forms of payment and certified digital signatures for proof of delivery.

## **Technological Transformation of Global Supply chains**

The COVID-19 pandemic has affected lives and businesses in a multitude of ways. Almost every major media outlet, at some point during the crisis, has published a story about why or how supply chains are going to change in a post pandemic world. Dave Evans (@makrdave), co-founder and CEO of Fictive, agrees supply chains are going to change. He even suggests how Supply chains will transform "As we move

from reeling to reflecting on the disruptions we've seen to the world of manufacturing and supply chain courtesy of Novel Corona virus COVID-19", he writes "there are numerous questions being asked in boardrooms on earnings calls in the media and in government.

The answer to all those questions is digital transformation. Should have a more agile supply chain? Yes, through digital transformation.

Can we make manufacturing more competitive in higher cost environments? Yes, through digital transformation.

How can supply chains pivot fast yet still be robust and resilient to the next disruption? Through digital transformation can I shift my supply chain to a new geography without huge cost or risk? Yes, through digital transformation.

The list goes. Threading its way through all of Evans Questions and answers there is an implied underlying theme. What business changes as the pandemic highlighted and how we can address those challenges Evans isn't arguing companies should attempt digital transformation without making a strong business case for doing so.

## **Digital transformation takes effort:**

The digitalization of the supply chain enables companies to address the new requirements of the customers, the challenges on the supply side as well as the remaining expectations in efficiency and sustainability. Although the discussion to this point might make it sound like digital transformation is simply a matter of collecting some data, buying some new cognitive technologies and putting everything in place takes a lot of hard work.

A successful digital transformation strategy requires that companies first take a look within and analyze which current processes and systems may be contributing to data latencies, collaboration and communication barriers, talent gaps inefficiencies and bottlenecks around the world. Once you're internally aligned with a true understanding of what's going on in your business today, orchestrating an effective transformation for tomorrow's success becomes a business Wide approach Digital transformation does not happen with the flip of a switch. It requires ongoing strategic efforts to create a balance among new technologies, strategic solutions and traditional systems.

Supply chain is a constantly moving target. What works today may not have worked yesterday and may not work tomorrow, either. We're always at the mercy of unforeseen events and disruptions like government regulations, tariffs, geopolitical upheaval, financial crises, pandemics and natural disasters that have the power to change the face of the global supply chain overnight. This means that digital transformation for supply chains is no longer an option — it's a necessity. In order to stay competitive,

reduce risk, meet and exceed rising customer demands, and keep up with the rapid pace of change, business leaders must begin to look at digitization as an investment, not a cost.

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