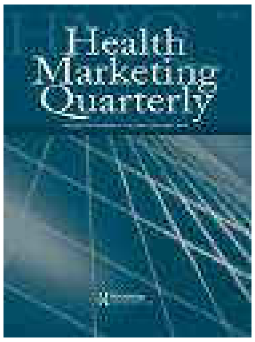

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How do attitudes toward Covid-19 vaccine impact intentions to vaccinate in an emerging economy? The moderating effect of risk perception and Covid-19 anxiety

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How do attitudes toward Covid-19 vaccine impact intentions to vaccinate in an emerging economy? The moderating effect of risk perception and Covid-19 anxiety

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ABSTRACT
This article aims to investigate the factors influencing the relationship between attitudes toward Covid-19 vaccines and intention to vaccinate, specifically, risk perception and Covid-19 anxiety. The study's results clearly demonstrate that only when the risk perception is minimal does vaccination intention improve with improved vaccine attitudes. The findings of this study provide valuable insights for policymakers, non-government organizations, marketers, and practitioners about the possible challenges in the execution of a Covid-19 vaccination program in an emerging economy. There is a need for tailored communication, community engagement and strictly following the standard operating procedure (SOP) inside the vaccination centers.

KEYWORDS
Attitudes toward Covid-19 vaccines; intention to vaccinate; risk perception; Covid-19 anxiety

Introduction

As of June 14, 2021, the cumulative number of confirmed COVID-19 cases in the world reached a record figure of 176.72 million and the cumulative number of deaths crossed 3.82 million (Ritchie et al., 2020). The rise in Covid-19 cases across the globe caused an increase in concern of authorities of many economies, and India made a bold decision to commence the world's largest vaccination program to tackle the second wave of coronavirus. Immunization through vaccination is considered to be one of the most cost-effective and safe public health interventions aimed at improving the mental, physical, and emotional health of the world population (Andre et al., 2008). Despite its acknowledgment as a successful public intervention measure, there is evidence from various parts of the globe of refusal and hesitancy associated with the uptake of routine vaccinations by the people.

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A Study on the Impact of Demographic Characteristics on Self –Attribution and Over Confidence Bias With Reference to the Investors from Odisha

Dr. Ansuman Sahoo, Dr. Ajit Kumar Mishra and Abhijit Mohanty

Abstract
Behavioral finance paradigm suggests that investment decision is influenced in a large proportion by psychological and emotional factors. Behavioral finance is a relatively recent and high impact paradigm which provides an interesting alternative to classical finance. This paper aims at studying the impact of investment experience, gender, and level of education on self-attribution bias. Data collected from a sample of 212 mutual fund investors were analyzed. The ANOVA is used to analyze the perceptual difference among the investors according to gender, education and investment experience. This study has some novel implications regarding investing behaviour of individuals. The results provide an insight on the existence of investors susceptible to behavioural biases. Practitioners can get an insight in dealing with various types of investors in the market place.

Keywords: Self-attribution, over confidence, Gender, Experience, Education, Bias

1. Introduction
After the process of economic Liberalization, Privatization and Globalization, the Indian capital market has been assigned very dominating place in financing and lending industry. The stock market is playing a leading role in financing corporate industry, encouraging entrepreneurship, mobilizing resources, allocation of resources with respect to economic growth. According to the survey, India will become the world’s third largest economy after 2030 (The Economic Times, 2019). After getting the freedom, Indian economy has survived with rebuilding their stand through monetary policies, fiscal policies, five years plan etc. Effective and efficient stock market is a place where prices of the securities are showing all related information about its true worth. Financial assets mainly directed towards the securities issued by companies or in other words they include mainly the shares or stocks, debentures, bonds etc. The study of financial markets has always been a centre of attraction of the researchers.
The emerging discrepancy between the efficient market hypothesis and reality encouraged a deeper insight focused on psychology, as an important factor in financial theory. Behavioral finance was formulated - a new branch of theory, combining the knowledge of psychology, sociology and other social sciences (Bernheim, Douglas, 2008)[1]. The integration of various scientific knowledge of behavioral finance has explained market anomalies and financial behavior of individuals. An efficient market theory maintains that investors, while competing for big profits, establish fair prices. In order to better understand an individual financial behavior, the behavioral theory of psychology, sociology and anthropology is applied.
Investing in financial markets in recent decades has become popular not only among institutional but also individual investors. Communications and information have become available worldwide in seconds of speed. Undoubtedly, investment decisions depend on the object and its financial status in the future, but often short-term price changes are driven by market participants that are not always based on logic, sometimes are inspired by mood or instantly "received news". Behavioral finance provides a different perspective, very complex and unconventional. Human emotional complexity includes the following primary feelings: fear, panic, anxiety, envy, euphoria, greed, satisfaction, ambition or vanity.

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Internal Marketing Mix and Employee satisfaction in service industry - a Literature Review

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Abstract: *Service sector is flourishing in India and contributing a lion's share to the economic growth. India's services sector includes a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction. The human element in service delivery process plays a crucial role in each and every interaction between employee and customer. The presence of efficient, satisfied and loyal employee is the backbone of a service industry. Irrespective of technological advancements in banks, quality comes from people. For this reason, banks have increased their focus on the attraction, retention and satisfaction of quality employees in order to create a sustainable competitive advantage. The internal marketing has been identified as a mechanism which could able to attract, retain and motivate employees for achieving organizational goals. This paper has made an attempt to present a critical review of related literatures on concepts and theories of internal marketing and it elements. The paper has also indented to derive the linkage between the 7 Ps of internal marketing mix and employee satisfaction. The study is based on secondary data which were collected from various sources like journal articles with peer-reviewed, books, government publication, conference proceedings and other relevant works. The study constructed a conceptual model depicting the relationship of seven factors of internal marketing mix named as internal product, internal price, internal place, internal promotion, internal people, internal process and internal physical evidence with employee satisfaction.*

Key words: *Internal marketing, 7 Ps, employee satisfaction, literature review*

I. Introduction

The dominance of service sector has been observed across all developed economy in the world and it is getting stronger since late 1990s. The rapid development in the field of information technology is one of the strongest reasons for such growth in service sector. As per the data, UK, USA and France have the highest share of services in GDP at above 78 per cent but the share of services in India of 58.2 per cent is much above that of China at 41.7 per cent in 2011 (Economics Discussion, 2015). The services sector has been a major and vital force for steadily driving growth in the Indian economy for more than a decade. The sector's contribution is around 66.1 per cent of its Gross value added growth in 2015-16. Moreover, this sector has become an important net foreign exchange earner and the most attractive sector for FDI (Foreign Direct Investment) inflows. India's services sector includes a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction(Source: IBEF). The financial sector in India has witnessed a rapid expansion, both in terms of growth of existing financial firms and simultaneously increasing number of new entrants to the market. The financial sector in India is dominated by commercial banks which accounts for more than 64 per cent of the total assets held by the financial system. According to KPMG-CII report, the banking industry in India shows the potential to become the fifth largest banking industry in the world by 2020 and third largest by 2025. India's banking and financial sector is rapidly expanding. The rising incomes are expected to enhance the need for banking services in rural areas and therefore drive the growth of the sector. The services rendered by banks are homogeneity in nature and it is very difficult for banks to differentiate their services from other banks. For this reason it is essential to adopt a market-driven strategy to be executed through competent and loyal employees will enables retail banks to deliver superior quality services and which will become the only real differentiator and key to building a competitive advantage (Culiberg & Rojsek, 2010, Kotler et al.,

TRAINING PEOPLE TO MANAGE ECOTOURISM IN ODISHA DURING THE PANDEMIC- A QUALITATIVE STUDY

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Abstract: Ecotourism in Odisha started in the year 2016 and has been attracting more and more ecotourists with each passing year. 2019 was a year with record number of bookings and highest revenue. The state tourism was quite confident on improving the ecotourism records in the year 2020. Unfortunately, the pandemic struck and things came to a standstill.

Anticipating relaxation in COVID-19 restrictions and controlled mobilization of tourists in the month of November and December 2020, the Odisha Tourism partnered with the Wildlife Wing of Forest Department to train the managers, staff, and the community members of various ecotourism destinations from August 2020. Along with regular hospitality training, these stakeholders of 40 different ecotourism sites have been trained on different aspects of COVID-19 management like sanitization routine, social distancing, wearing of mask etc.Training is an integral part of Human Resource Development. Training enhances the capabilities, skills and knowledge of the people performing tasks. Hospitality sector is highly labour intensive therefore, the importance of people and their training increases manifold. “Training People to Manage Ecotourism in Odisha during the Pandemic” is a qualitative study on the purpose and the manner in which the people associated with ecotourism in the state are being trained amidst the pandemic. The paper reviews the training and capacity building initiatives undertaken by the custodians of Ecotourism. It presents the purpose, process and the outcome of such training.As it is a review study, the paper relies on secondary sources like Odisha Tourism Policy Manual, newspaper, magazine and web publications. As a primary source, the researcher assimilates the opinions of the stakeholders who underwent the training. The outcome of the paper is a case study representing Training and Capacity building activities of Odisha’s Ecotourism.

Keywords: Ecotourism, Odisha, Training, Capacity building.

Article History

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Introduction:

Ecotourism is a form of tourism that facilitates visits to fragile, pristine, and relatively undisturbed natural areas for tourists who wish to experience the natural environment without causing any damage or disturbance to the habitats. It presupposes responsible travel by visitors to natural areas while conserving the environment, improving the well-being of the local people and preserving their culture.

The term Ecotourism was first coined by Mexican architect and environmentalist Héctor Ceballos-Lascuráin who is considered as the Father of Ecotourism. In 1983, he defined it as, “tourism that involves traveling to relatively undisturbed natural areas with the specific object of studying, admiring, and enjoying the scenery and its wild plants and animals, as well as any existing cultural aspects (both past and present) found in these areas.” He revisited the definition in 1993 and included terms like “promotes conservation, has low negative visitor impact, and provides for beneficially active socio-economic involvement of local populations”. (ECOCLUB, Issue 85)

The International Ecotourism Society in its website provides the following definition of Ecotourism: “responsible travel to natural areas that conserves the environment, sustains the well-being of the local people, and involves interpretation and education” (TIES, 2015). It also states, “Education is meant to be inclusive of both staff and guests.”

There are five basic criteria for Ecotourism: conservation, low-impact, sustainability, meaningful community involvement, and environmental education. In the context of India, development is improving the well-being of local communities through practice of ecotourism rather than to modify the environment to satisfy human needs and improve quality of human life (Subramanian, 2008)

The above discussions imply in no uncertain terms that Ecotourism is not traveling to a place where a tourist and a tour operator are enough. It is rather a phenomenon where there is an active involvement of the local community who are the custodians of those habitats. Therefore, it is pertinent to pay attention to capacity building of the local communities involved in Ecotourism.

Purpose of the Study

The purpose of this study is to understand the training process implemented in Odisha for safe Ecotourism during and post-COVID time. The study also explores capacity building of local communities for making Ecotourism in Odisha effective during COVID time.

Research Design

The study uses qualitative research that reviews relevant information from the Annual Reports (2018-19 and 2019-20) of Ecotour

Odisha, Wildlife Tour information available on official website of Odisha State Forest Department about training in Ecotourism Sector in Odisha. Interviews of private Ecotourism operators has also been used in this study.

Ecotourism in Odisha

The Indian state of Odisha, also called the Soul of India, is a state of rivers, wetlands, waterfalls, lakes, green forests and mangroves. These habitats shelter a wide range of flora & fauna. 39% of the Geographical area of state is under green cover. Odisha has 19 Wildlife sanctuaries, 1 national park and 2 tiger Reserves. It has a significant population of Irrawaddy Dolphins; it is the only state in the world to have melanistic tigers in wild and is also the largest wintering ground for birds in Asia. Both Chilika and Bhitarkanika wetlands are the "Ramsar sites". The state has all the three varieties of crocodiles and also is the largest mass nesting site for olive Ridley in the world. It is the only state in India to have recorded drastic increase in forest cover and mangrove forests in recent years. A total of 29 species of Amphibians, 129 species of Reptiles, 537 species of Birds and 114 species of mammals have so far been recorded in state.

Around 83 percent population of Odisha lives in rural areas and its role in conserving the natural resources of the state is vital. Thus, the Community model of ecotourism has proven to have beneficial impact on the rural economy as it is providing the opportunity for development of the disadvantaged, marginalized rural population leading to poverty alleviation beside driving sustainable tourism. Community managed ecotourism has stimulated economic development and social well-being of the forest dependent communities and at the same time has preserved the natural environment through awareness creation.

Ecotourism in Odisha started in the year 2016. Forest & Environment Department, Government of Odisha came together and initiated "Community managed nature tourism" in Odisha. Under this, various nature camps were created to provide comfort to the guests. With the support of forest dependent communities, the objectives of forest & wildlife conservation, and guest management were successfully achieved. Thus, making forest dependent communities the focal point of tourism and hospitality services in the future.

To make the process sustainable, the model needed to train and develop persons from the local communities. For instance, life guard training (in beaches and lakes), hospitality and house-keeping training to manage accommodations in the nature camps, nature guide's training for trekking etc.

Training and Capacity Building – Conceptual Framework

Training means to teach or to make learn skills and knowledge that relate to specific useful competencies. Training targets improving capability, productivity and performance. In Human Resource Management, it is defined as teaching specific skills and behaviour to employees for effective performance of their task. It is the process through which the employees are taught job related skills, and are given the necessary knowledge to perform as per the desired standards.

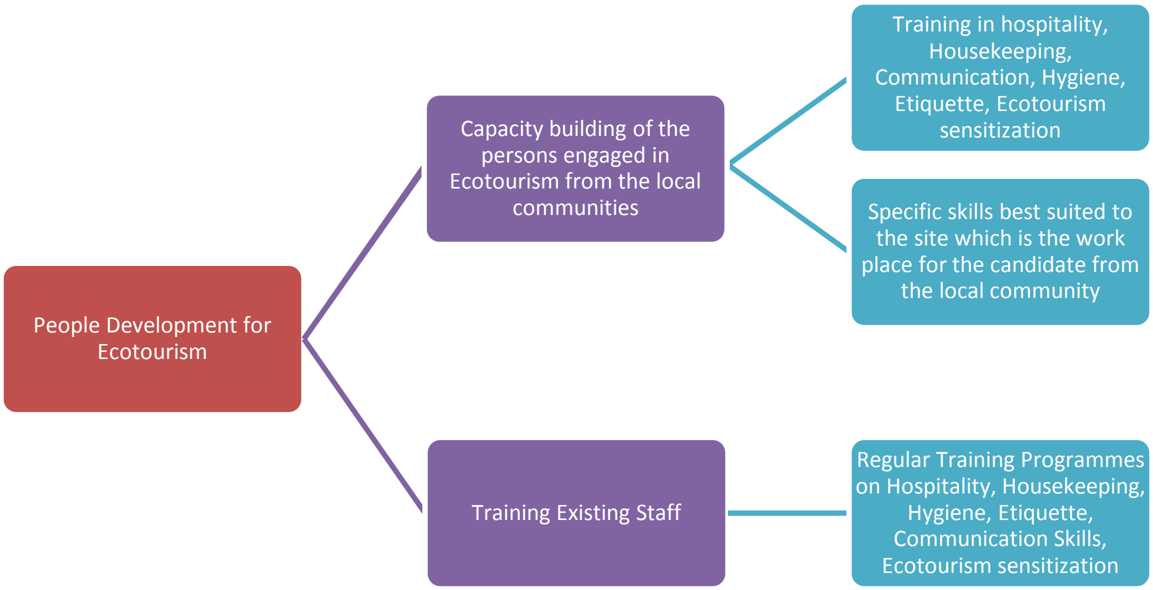
Capacity building is the process in which individuals and organizations learn, improve, and retain the skills, knowledge, tools, equipment, and other resources needed to perform various tasks and duties competently. **According to CRED, "**Capacity Building and Training Programme enables people, communities and organizations to strengthen their capabilities to develop, implement and maintain effective services."

According to the UN website, Capacity-building is defined as the "process of developing and strengthening the skills, instincts, abilities, processes and resources that organizations and communities need to survive, adapt, and thrive in a fast-changing world." Transformation is an essential ingredient in capacity-building. Transformation is generated and sustained from within and continues over a period of time; transformation of this kind moves beyond task performance to change the mindsets and attitude. Thus, training and capacity building activities play a pivotal role in sustenance of any business or organization.

In case of Ecotourism, the importance of training and capacity building increases manifold as it is highly sensitive. Acknowledging the importance of training in Ecotourism, the Government of India launched "Green Skill Development Programme", a certificate course in Nature Conservation & Livelihood: Ecotourism in 2018. The expected outcome of this course were:

1. To employ trained candidates as Nature guide, eco-tour guide, trekking guide
2. To employ trained candidates in homestay, ecolodge, national parks, travel agencies
3. To enable trained candidates to manage and operate homestay independently
4. To enable trained candidates to understand Sustainable Tourism Development and its significance to the environment
5. To inculcate in the candidates an interest in ecotourism related entrepreneurship.
6. To enable trained candidates to pursue ecotourism activities, like bird - butterfly watching guides, ecotourism travel agencies, adventure tourism activities.

The following can be represented as follows:



Findings: Capacity Building and Training for Ecotourism in Odisha

The Annual Reports of EcoTour Odisha (Community Managed Nature Tourism in Odisha), Department of Tourism, Government of Odisha were reviewed to find the Training and Capacity Building process organizational staff and candidates from the local communities involved in Ecotourism. The following were revealed from the study:

1. To manage the Ecotourism in Odisha, major thrust was given to train the village communities managing Nature Camps. The hospitality training was imparted by Institute of Hotel Management (IHM), Bhubaneswar & Indian institute of Tourism and Travel Management (IITTM), Bhubaneswar Certificate programmes under Skill India were also conducted by these institutions.
2. IITM, Bhubaneswar conducted training and capacity building of 142 Community members of 9 ecotourism destinations during 2019-20. The training programme was sponsored by Department of Tourism, Govt. of Odisha.
3. The training was imparted in subjects like hospitality, housekeeping, hygiene, sanitation, cleaning, communication skills, Check-in and Check-out protocols etc.
4. Guide Training Programme was conducted to train youth to take up tour-guiding as a profession. A total of 1154 youths received training under the aegis of Odisha Tourism until 31.03.2019.
5. Eco-Tourist Guide/ State Level Guide Training Programme under the Capacity Building Training Programme for local youths abled 61 local youths from predominantly Eco-Tourism oriented locations as Eco-Tourist Guides.
6. Until, 31.03.2019, 499 youths got trained as EcoGuides, and 365 youths as State Level Guides for escorting & guiding tourists.
7. The IITTM, Bhubaneswar was also assigned hospitality related training programmes under Odisha Skill Development Authority (OSDA), Govt. of Odisha.
8. 2450 youths have been trained in hospitality related trades like F&B Service, Food Production, Bakery & Patisserie & Housekeeping Utility.
9. The Department of Tourism engaged the State Institute of Hotel Management (SIHM), Balangir for conducting such training programmes.
10. 21 days of tailor-made training programme for existing State Level Guides for Buddhist Circuit were also conducted.
11. For the year 2020-21, six months training programme of Community members is under progress.
12. Site managers received 3 days training on SOPs and advisory of COVID-19 for management of ecotourism nature Camps in state.
13. On-spot training (on-the-job training) of all community members working in different nature Camps started from October 2020 and will continue until March 2021.
14. Along with the training on COVID-19 protocols, the training includes preparation of local "Odia Cuisine". Hospitality training shall also be a part of the training.

The Government is also encouraging private tour operators to contribute and participate in the Ecotourism drive. The "Explore

Odisha by Road" campaign, "The Eco Retreat" stays, are all a part of strengthening the Ecotourism sector. Some of the stakeholders were interviewed during the study. The findings are presented as under:

1. The training and capacity building programme initiated by the private players is based on the 4-pillars of Ecotourism viz… Environment Conservation, Well-being of Local People, Preserving Local Culture and Sustainable Tourism.
2. They conduct on-the-job training and prefer to train community persons showing passion.
3. They bring in certified staff to work and keep training and re-training them in newer concepts and skills.
4. Local communities are addressed as a family during the capacity building programme.
5. They are educated on Ecotourism as a form of livelihood.
6. Due to COVID-19, they are also trained in the SOPs like sanitization, social distancing, wearing masks, general hygiene etc…
7. Classroom trainings are rare as most of the programmes are based on "doing and learning."

Conclusion

Training and Capacity building is a necessity in Ecotourism. The mode of delivery (on-the-job or classroom based) may not be that significant but the outcome should be in lines with the pillars of Ecotourism i.e. Environment Conservation, Well-being of Local People, Preserving Local Culture and Sustainable Tourism. The stakeholders of Ecotourism in the state of Odisha are working incessantly to combat the challenges posed by the pandemic. Training programmes are rigorously being conducted to keep the staff and the local communities involved in Ecotourism abreast with the COVID-19 protocol. This surely will go a long way in making the Community Managed Ecotourism sustainable.

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THE EXISTENCE OF HERDING BEHAVIOUR THEORY: A CRITICAL REVIEW OF LITERATURE

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ABSTRACT:

Behavior of individual is guided by their thinking processes. Since, individuals form a large part of the stock market; their behavior and knowledge affect the price and make the market volatile. The asymmetry of price in the market are guided by many factors of which, Psychology of the investor is one. The positive reaction of informed investors tends to ride over the market, whereas the negative reaction of informed ones losses in the market. Behavior Finance started its way from Khenman and Trivosky (1971). Thereafter, scholars segregated behavior of the Stock Market into two parts one being EMH and the other is Bias. These chapters try to assimilate the literature of behavioral finance, especially the herding bias which is the theme of this thesis. In the present study development of literatures over the period in relation to the herding behaviour of investors has taken into consideration.

KEY WORDS:

Herding

Behaviour

Investors

Stock market

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1. INTRODUCTION:

Classical theory of finance gives more emphasis on logical justification while taking the investment decision. Among them Efficient Market Hypothesis has play an important role in stock market. This theory is based upon certain assumption in which it said that market reflects all information and investors take their decision based upon that information, as well as investors are rational But the current market situation just give an reverse of this theory. It shows that investors are not rational they are irrational because as market reflects all information but it depend upon the behaviour or attitude of an investor while analyse and interpreting the data. As every human is differ from each other as well as their knowledge regarding market, their attitude towards the investment also play an important role while taking the investment decision. So now a day it is important for the analyser to study the behavioural aspect of the investor.

When investors follow each other decision then it leads to herding behaviour. But they forgot that it will not be a healthy idea for all of them. Each and every investor know only themselves and their assessment is only restricted to them only, it may work for others or may not be. If everyone shares their knowledge with each other and do the assessment then it may work for them but the problem with investor is that they don't want to share their investment assessment with others. This difference indicates that herd behaviour arises from the attitude of investors.

2. RESEARCH METHODOLOGY:

The present study, the literatures developed and available over the period are taken for the analytical review. The articles published in various E-journals and online data base such as Pro Quest, Google Scholar, JSTOR, and ELSEVIER along with other relevant books and journals are taken into consideration. This study has been undertaken to find out the research gap and to propose further scope for the studies related to the herding concept.

3. DEVELOPMENT OF LITERATURE 1971-1990

The manipulation of prices in market and fluctuating expected returns in an efficient market indicates that investors were not rational. The news and information reflect in the investment behaviour of the investors was founded Ray Ball and S.P Kothari (1989). The investment behaviour of the investors reflects in the news and information.

The study of herd behaviour and investment with an aim to observe some of the forces that can give rise to herd behaviour in investment was discovered by Stein and David (1990). Managers simply follow the investment decisions of other managers, overlooking functional private investment. From social point of view even though this behaviour is unproductive, it can be balanced from the manager's viewpoint who are concerned about their statuses in the employment and verdict making within organizations.

4. DEVELOPMENT OF LITERATURE 1991-2010

The study on Herd Behaviour had made an effort to solemnize people behaviour or shared mimetic contagion in theoretical markets on Bubbles and Crashes was studied by Lux (1995). The rise of bubbles had been enlightened as a self-organizing process of impurity among traders foremost to balance prices which depart from central values. Actual returns mean beside other strained that the risk-takers' readiness to follow the crowd. Usually more positive attitude that adopts the temperament to overtake others 'bullish beliefs reflect on average returns. The brief spectacles and leads to recurring variations around vital values make Bubbles more effective in commercial.

The objective of rational herding in financial economics defines the recent papers on the economics of rational herding in financial markets was studied by Welch and Devona (1996).

Deprived of any neutralizing force some representations can predict perfect herding and coherent agents all act similar. Such driving classically arises either from direct payoff out ward-ness, principal-agent problems (based on administrative desire to protect status), or informational culture (forces). They provided a rare gauge related to fiction and suggest issues to be lectured in future study.

“A Simple Model of Herd Behavior” studied a progressive decision model were each decision maker looks at the choices made by previous decision makers in taking their own choice this remarkable work was worked by Banerjee in the year of 1997. This is balanced for other decision makers may have some data that is important for them, which shows that the decision rules that are chosen by enhancing individuals will be characterized by masses behavior; i.e., individuals will be doing what others are doing rather than using their material. At last Banerjee presented the result in which subsequent symmetry is unproductive.

Impulsive rational activity in entities responding to signals from the behavior of others outcomes human herding was exposed by Preacher and Robert in the year 2001. Basal ganglia and limbic system of the brain help in creating impulsive thoughts. The limbic system's impulses are typically quicker than rational reflection made by the neo cortex when they are into emotionally charged states. Researches with a small number of immature individuals as well as statistics reflecting the conduct of huge sets of financial experts offer evidence of driving behavior. In some primitive life-threatening states, herding behavior is unsuitable and counterproductive to victory in fiscal conditions. In order to attain optimistic morals and avoid adverse morals branch herding behavior, making rational independence extremely hard to exercise in group sceneries is evolved by unconscious impulses. Stress increases impulsive mental activity, and impulsive mental activity in financial situations due to an adverse feedback coil. The interface of medina cooperative situation crops super-organic behavior that is decorative rendering to the survival-related roles of the primitive portions of the brain. As long as the human mind contains the triune structure and its roles, patterns of herding behaviour will remain absolute.

“Heterogeneity in investor self-assurance and asset market under-and overreaction”, develops an interactive finance model that may enlighten under response and overreaction in asset markets from the outlook of heterogeneous investors with different confidence levels this was the paper presented by Juan Du (2004). This model describes the existence of under response by the consecutive entry of investors with dissimilar confidence stages in rendering earnings shock wave.

The distinctive investor confidence level would be complex as a result of the biased self-attribution and positive bias, causing overreaction more expected to arise in frequent trading events with frequent earnings shocks. Similarly, in the later timing of curving up their asset holding positions also makes overreaction more likely to occur by the higher average confidence level of investors.

The impact of experience on risk taking, boldness, and herding of Fund Managers through harmonizing survey indication with an aim to address whether inexpert fund managers incline to taker higher hazards was studied by Brodzinski et al. (2005). Higher degree of boldness, fewer herding, or an inferior degree of risk hatred is explained as high risk. The results about the bond between understanding and risk taking in previous studies are rather opposing, 117 German fund managers can improve thought full in pitch they provide corresponding survey suggestion. Since previous results, they find that herding is falling with knowledge while the indication regarding risk taking and overconfidence is varied. Thus far, their results provide some support for the hypothesis that inexperienced managers do indeed take complex risks.

‘Do investors herd intraday in Australian equities?’ With an objective to inspect whether market wide herding occurs intraday in Australian parities Market was deliberate by Hanker et al. (2006). To test the existence of market wide and industry segment herding intraday in the Australian parities market they also used Christie and Hawing (1995) and Chang et al. (2000) models. Their study is a unique, earlier studies have restrained the opportunity of intraday herding in equities markets. Market frictions and incompetence continue to be oppressed at least anecdotally by traders with very short time prospects to the damage of longer-term investors.

Herding in humans and trends in cognitive sciences was studied by Raafat et al. (2009). Understanding herding is particularly pertinent in an increasingly interconnected world was suggest that herding has a broad application from intellectual fashion to mob violence. Two key issues of herding are projected by an integrated method defines: mechanisms of transmission of opinions or behavior between agents, and outlines of networks between agents. They show how bringing together the assorted, often detached, hypothetical and organizational approaches lighten the pertinence of herding to many areas of perception and suggest that cognitive neuroscience offers an innovative approach to its study.

The Herding in China Equity Market was studied by Fu and Lin (2010).Herding behavior and investors responses based on data asymmetry to both the moral and immoral news in China’s equity market. They had taken Data from January 2004 to June 2009, which includes the fiscal terror period. Maximum of the writers had used HTSD, LTSD, HTAD, and LTAD apart from CSSD and CSAD. They find out the presence of uneven reaction that investors’ tendency toward herding is knowingly higher during market downstream. This study supports in part the turnover result that low turnover stocks mincingly meet to market return than high turnover stocks during extreme market situations.

“Investor overconfidence and Trading volume”, is the study of proposal that investors are optimistic about their estimate and trading skills which can explain high practical trading volume was the paper by Statman et.al. (2010).They verified the trading volume forecasts of formal overconfidence models and find that share turnover is absolutely related to interval returns for many months. The level of investor overconfidence and so trading volume varies with previous returns is bias by self-attribution. The connection holds for both market-wide and distinct security turnover, which they construed as indication of investor overconfidence and the outlook effect, correspondingly.

"Do Investors Herd in Emerging Stock Markets? Indication from the Taiwanese Market" is a remarkable work by Demirer et al. (2010). For investor groups he presented two contributions to the literature. In the primary place, it ranges investor herding studies to an evolving yet quite cultured Taiwanese stock market by using firm level data. In the Following place, by employed different testing methodologies designed to test the existence of investor herds and compares the toughness of interpretations. Then on-linear model projected by Chang et al.(2000) and the state space-based models of Hwang and Salmon (2004) lead to constant results signifying strong evidence of herd creation in all sectors. They find that the linear model based on Cross Sectional Standard Deviation (CSSD) testing methodology yields no significant evidence of herding among Taiwanese investors. They find that the herding outcome is more projecting during down activities of the market place.

5. DEVELOPMENT OF LITERATURE 2011 and onwards

The Herd Behaviour and Market Stress in four European countries with an objective to classify the presence or absence of the herding phenomena by using the method explained by Hwang and Salmon, (2000, 2004, 2008 by considering several factors namely market performance, size and book to market on European stock markets i.e., French, German, Italian and English was the study by Khan et al. (2011). According which is categorized by two important events: the dotcom bubble and beginning of the crisis (subprime) these are the facts they had used from 2003 to 2008.Apart from the periods of market turmoil and crisis their results showed that by and large, there is a presence of herding behaviour in all countries. From the period 1stJuly 1999 to 30th June 2009 within this duration the data set used in this paper contains the stock prices and trading volume of the top 300 firms (in terms of market capitalization) in t he Shanghai A-Share index(SHA),andthetop300 firms from the Bombay Stock Exchange index(BSE), and the same had been poised from Bloomberg. The objectives to examine herding behaviour in the Chinese and Indian stock markets are a notable work studied by Singh and Lao (2011). For their study they used the model of Hwang and Salmon (2001).The level of herding is determined by market situations and these findings suggest that herding behavior occurs in both the markets.

'The Herd Behaviour and Financial Instability' to study this mechanism by considering various factors like behaviour of Financial market participants, role of information in decision making is the paper presented by Ionescu (2012), he has also presented two examples of Herd behavior (run bank and the "to many to fail" problem) regarding the herd behavior of the banks duty and in order to achieve a quantitative analysis of the phenomenon he had presented three herding events. In this behavior irrational is based on psychological factor, regulates course of action and a rational is because of economic and financial reports which sometimes may leads towards financial uncertainty so, Ionescu proposed that herding can be either rational and irrational.

In the study on a test of investors' herding behavior in Tehran exchange was the study deliberate by Moradi and Abbasi (2012). They observed the presence of participants' herding behaviour in Tehran exchange and surveyed in this paper. To determine shares values, participants in the capital market use less than quantitative methods and their decisions are more based on reports and resulting a limited number of investors in the capital market without exceptional cause indicates the primary evidence. In adding to that, from the past research they claimed that no new information about vital values explains just a little practical price fluctuation in the market. Due to psychological change of market or events it has been recommended in these studies though long period changes in securities prices relating to base value changes, without any effects on commercial perspective or economic conditions short term fluctuations comes into existence. During Tehran exchange 2005-2009, they had, studied the hypothesis of herding behavior among all selected firms based on the firms yield variance from the market yield at daily and monthly intervals in the whole market. These results of research specify that there is no herding behaviour in Tehran exchange.

RESEARCH GAP

After analyzing all the literature on herding behavior the following research gaps are found which need to be addressed in the future studies.

1. All the studies have carried out on the developed countries but only few studies focused on developing countries.
2. Most of the research in herding biases depends on the availability of data that is limited to certain investor group.
3. Till this date there is no such formula or theories exists which can substantiate herding behaviour among investors.

CONCLUSION

From the review of available literature on herding biases it can be concluded that it is the mixture of sociology, psychology and various research methods to explain the extreme rise and falls in the stock market. In this study we have reviewed various research papers and studies on herding behaviour and most of the studies provide evidence for non presence of herding behaviour in the stock market. Few researchers also found the relationship between attitude and personality of investors with the presence of herding behaviour pattern. So overall it can be concluded that there is a lot of scope and unexplained area still there to explain the existence of herding behaviour in financial markets.

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"Indian Corporate Trainer's Choice: Methods for Enhanced Training Engagement and Effectiveness"

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Abstract
Training and Development (T&D) is a vital Organisation Development (OD) intervention. Without T&D, the human resources in an organization will become irrelevant and obsolete. Therefore, it is pertinent for all organizations to keep training their people. A training program is an elaborate process that includes: Training Needs Analysis, Training Planning, Training Preparation, Developing Training Contents, Choosing Training methods, Identifying appropriate resources, and so on. Much emphasis is laid upon developing a training calendar and training content. However, training methods are usually left to the Trainer or the Resource Person to decide and deliver. The objective of the study is to find the most effective and engaging training methods used by corporate trainers. This exploratory study engages expert interviews to collect data about the trainers and training methods adopted by them. These experts are corporate trainers and are members of CHRD Network. The responses of the trainers are then analyzed and presented systematically. The interview schedule consists of questions whose answers help us discover the frequently used training methods of corporate trainers. Finally, this paper deciphers the most effective and engaging training methods used by the trainers across India. It explains the methods and gauges them using Kirkpatrick's level 1 and level 2 of training evaluation.

Introduction
Manpower Services Commissions' Glossary defines training as "a planned process to modify attitude, knowledge, or skill behavior through learning experience to achieve effective performance in an activity or range of activities. Its purpose, in the work situation, is to develop the abilities of the individual and to satisfy the current and future needs of the organization" (1981: 62). And, development is "growth or realization of a person's ability through conscious or unconscious

learning. Development programs usually include elements of planned study and experience and are frequently supported by a coaching or counseling facility." (1981: 15)

Edwin B. Flippo calls training the act of increasing the knowledge and skill of an employee for doing a particular job; Micheal J. Jucious defines training as a process to increase the attitudes, skills, and abilities of employees to perform the specific job; William G. Torpey sees training as the process of developing skill, knowledge, habits, and aptitudes in employees to increase the effectiveness in their present position as well as to prepare them for future positions (cited in Santana M).

Thus, training means imparting the knowledge, skills, and aptitudes necessary to undertake the required jobs efficiently to develop the worker to his fullest potential. As an organized activity, training is designed to create a change in the thinking and behavior of people.

Overall, Training and development is the total of all the educational activities that are created and conducted to enhance the knowledge and skills of employees in an organization. These activities provide information and instructions to improve the performance of the employees. Training is also accepted as an important intervention to improve employee motivation and morale. While training is provided to impart specific skills and knowledge for specific tasks at hand, development focuses on the career of the employees in the organization. The following are the features of training (Rishipal, 2011):

a) Training is a learning process.
b) Training permanently imparts the skills needed to perform specific tasks.
c) Training targets behavioral modification.
d) Training provides expertise to handle jobs.
e) Training includes teaching, learning, and practice.
f) Training includes trainers and trainees.
g) Training bridges the gap between the current level of the employee's KSA and the required level of KSA.
h) Training develops required competencies (knowledge, skills, and abilities) for a job.

Training programs are essential because they are an integral part of management development as well. In fact, in the past, loyal and efficient workers got promoted to supervisory and managerial positions due to their contemporary performance. However, their being efficient as a worker did not guarantee their success as a manager. Therefore, the organizations developed the concept of management development. This ensured continuous development of the manager through training, self-learning, on-the-job assignments, and so on. So, the training activities and developmental process became important.

In our times, training and management development programs have become synonymous with Human Resource Development or HRD. The organizations have a dedicated department and team that cater to the training and management development requirements of the employees. The process is also well defined as it begins with a thorough Training Needs Analysis (TNA) in which every employee is assessed or mapped so that relevant training can be imparted to enhance their skills. Then comes designing a training plan. The training plan consists of the following:

a) Training Goal: Every organization sets a goal for training its employees. This is related to the overall organizational goal. Organizational requirements help establish training goals.

b) Learning Objectives: The training plan also sets learning objectives for the trainees. There is a need to achieve the set objectives for the trainee. For example, if the basic objective of a leadership training program is to develop team management know-how, then the trainees need to at least learn the fundamentals of team dynamics.

c) Training methods: The training plan ensures appropriate training methods for a training program. For example, a software training program needs practical lessons and policy training may require lecture-cum-discussion method. This may sometimes be left to the trainer to decide and implement.

d) Documentation or evidence of learning: The training plan includes documentation related to the training as the training schedule, trainer's profile, trainee's profile, training materials, learning materials, training feedback, etc…

e) Training Evaluation: The training is initially evaluated by taking the feedback of the participants, and later by assessing the participant's on-the-job performance.

Martin et al. (2014) cite Ittner and Doud (1997) that training is imparting knowledge, abilities, skills, or attitudes (KSAs) to participants and involves a process that is governed by certain strategies. These strategies are the training methods. Ampaipipatkul (2004) observes that the methods or activities that a trainer or instructor employs are a medium to convey knowledge, experience, or information to the participants. This facilitates learning which might lead to a change in their working behavior and attitudes. From this, it can be construed that a training method is a set of systematic procedures, activities, or techniques that are designed to impart KASAs to the participants that have a direct impact on their job performance. These methods can be trainer or coach drove, or self-driven. Nevertheless, it is one of the most important elements or components of a training program.

In his book, Training, and development, P.L. Rao considers the use of multiple training methods as necessary to make the training program effective (2009). Again, Bob Pike of Creative Training Techniques International explains the 90/20/8 rule of a training program where the time duration of a session is 90 minutes, the pace changes every 20 minutes, and the involvement of the participants in the delivery of the content is initiated every eighth minute (2009). Nikos Andriotis (2018) in his article in eLearning Industry opines that training methods are vital to the success of a training program. It is critical to choose the appropriate training method to ensure that the training objectives are achieved without fail. The training method is the soul of any training program. The contents if not presented or delivered correctly can render the training program ineffective. Thus, it is important to choose the appropriate training method for training the corporate employees.

Theoretical framework- Training Methods

To study various training methods, scholars have broadly categorized training methods as 1) On the Job and 2) Off-the-Job. All the training methods used for enhancing the knowledge, skills, and abilities of the employees fall under one of these categories. It is represented as follows:

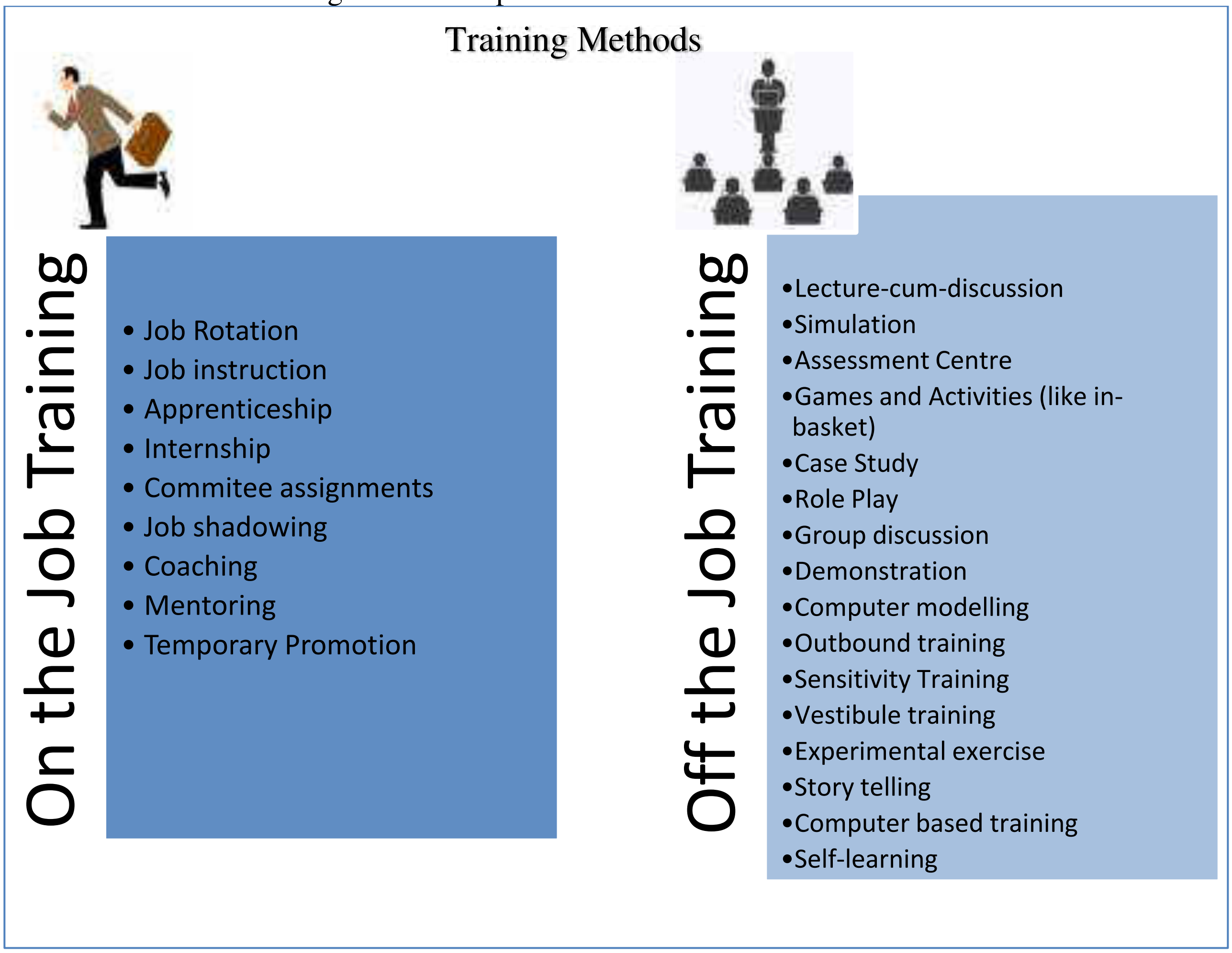

Fig 1: Training Methods

These training methods are devised to train the participants while at the workplace (on the job) or separately in a classroom or a simulated environment.

The Study

The study is based on expert interviews. This qualitative method is widely used for gaining information about a specific field of action. Here, the purpose is to gather the explicit, implicit, and interpretative knowledge of the experts. The study unfurls the popular methods used for training and management development programs in the corporate. The results are showcased as 1) the most engaging methods and 2) the most effective methods. The word 'Engaging' training method, connotes Level 1 of Kirkpatrick model of training evaluation; the word 'Effective' signifies Level 2. Level 1 is Reaction where the participants find the training favorable, engaging, and relevant. Level 2 is Learning when the participants acquire knowledge, skills, and attitude from the training (Kirkpatrick, 2016). The engaging methods get reflected in the trainer's feedback. The effective training methods produce favorable scores in the post-test of the training.

The following are the objectives of the study:

a) To explore the most engaging training methods for corporate training.

b) To explore the most effective training methods for corporate training.

Sampling and the Sample

Expert Trainers (Specialists), identified from the CHRD network, are interviewed to know their opinion. Responses are from sixteen trainers with training experience ranging from 5 years to 30 years.

The process of the study includes:

1. Identifying trainers of repute as experts.
2. Collecting responses using an interview schedule.
3. Assimilating the responses as findings
4. Analyzing the findings
5. Presenting the analysis

The Process:

Step 1 **Identifying the trainers**

- The trainers are identified using the CHRD Network. Consortium For Human Resource Development which is an association of people involved in HR activities in the corporate and academics. The whatsapp group is used to select trainers from the group. 20 trainers are identified and contacted for their responses.

Step 2 **Collecting the responses of the trainers**

- Sixteen trainers' responses to the interview is collected and presented here. The trainers who responded are from across India and have training experience ranging from 5 years to 30 years. The questions are about the training experience, the most effective training methods and tools for behavioural training and technical training. Response related to frequently used training methods is also collected.

Step 3 **Tabulating the responses as findings**

- Data regarding frequently used training methods of the trainers is collected and collated. Trainers' opinion regarding the most effective training methods is also collected. All the data is tabulated as findings for further analysis.

Step 4 **Describing and Analyzing**

- The responses tabulated as findings and are analyzed on the basis of the existing framework of training methods. Analysis is also based on the explanations provided by the trainers (respondents).

Step 5 **Presenting the Analysis**

- Finally the analysis is presented for overall understanding of the most effective and engaging training methods.

Fig 2: The Process of Study

Findings & Analysis

As discussed earlier, the study adopts an expert interview technique, often used in qualitative research studies. The trainers respond to the questions as per their experience. They freely express their opinions and also supplement reasons. These responses are presented as findings in this section. The responses include information about their experience, the training topics, the sectors that they cover, the methods and tools that they use for conducting training, the most engaging methods of training, and the most effective methods that enhance the learning of the participants (trainees).

Trainer's Profile

The trainers who responded have a minimum of 5 years of training experience and a maximum of 30 years in training. They all conduct training programs on Management Topics. The topics that the expert trainers cover for behavioral training include:

1. Attitude shaping and personal effectiveness	22. Management Skills
2. Balance sheet analysis	23. Managerial Skills
3. Basic interpersonal skills	24. Managing emotions effectively at workplace
4. Behavioral Competencies & Technical Competency	25. Managing Self and Relations
5. Behavioral Training,	26. Motivation skills
6. Body language and Etiquette	27. Performance appraisal and feedback management
7. Business Environment	28. Personal Development
8. Communication Skills	29. Personal Effectiveness
9. Conflict and Teams	30. Persuasion skills
10. Conflict resolution	31. Presentation skills
11. Credit policy	32. Problem-solving skills
12. Customer Centricity	33. Product Session,
13. Decision-Making Skills	34. Product, Process, Service
14. Delegation of power	35. Sales and Negotiation,
15. Emotional intelligence,	36. Sales Management.
16. Employee satisfaction & customer satisfaction	37. Self-awareness and positive thinking
17. English Grammar	38. Six Thinking Hats and Negotiation skills
18. Happiness and Stress Management	39. Soft Skills
19. Interview skills	40. Stress management through CBT
20. Law of Attraction (Interpersonal relations)	41. Team Building,
21. Leadership Development	42. Time management
	43. Vigilance
	44. Voice intonation and modification
	45. Working capital assessment

Table 1: List of Topics for Behavioural Training

The interview responses reveal that the trainers have **5 to 30 years of experience in behavioral training.** Thus, making them experts in their field. The interview responses provide great insight into the training industry of the country. It is also apparent from the above table that the topics covered by the trainers are prolific as regards behavioral training. Most of the topics are related to managerial skills. These skills are essential for any individual's performance in an organization.

Sectors Covered by the Trainers

They conduct executive (entry-level, middle level, and top-level) training programs in various sectors like:

1.	Aeronautics	16.	Hospitality
2.	Agrichem	17.	IT sector
3.	Automobile	18.	ITES
4.	Aviation	19.	Manufacturing
5.	Banking	20.	Mental health
6.	BFSI	21.	Mining
7.	Consulting	22.	Retail
8.	Consumer Durable	23.	Social Sector -Education, Health, Livelihood
9.	Corporate Education	24.	Telecom
10.	E-commerce business	25.	Tourism
11.	Education		
12.	Education Technology		
13.	Electronics		
14.	Entertainment		
15.	FMCG		

Table 2: The Sectors Receiving Training

The responses of the experts suggest that they cover almost all the corporate sectors. They train the executives of various levels across the organization. Thus, their understanding of the training needs and the trainees' behavior is highly reliable.

Training Methods & Tools frequently used by trainers

1. Audio Visual Aids used with Lecture - Audio-visual aids are the training or educational material that facilitates learning using both the senses of hearing and sight. Movies or films, recordings, photographs, or audio content, etc. are examples of AV aids used for classroom instruction or lecture. Byte Size video content is used for quick explanation and analysis.
2. Case study and situation analysis- A case study is a method that provides descriptive situations that stimulate the participants to make decisions. The purpose of a case study or situation analysis is to make the learners apply their concepts or learnings and develop new ways to manage a situation or solve a problem.
3. Demonstration- A demonstration is a process of training the participants on how to make or do something in a step-by-step manner. The instructor or the trainer tells the process while doing it.
4. Energizers- These are brief activities to increase the energy level of participants by engaging them in a physical task. It usually evokes fun and laughter that boosts the learners' attention level, stimulates creativity, and removes barriers among them. It also helps the trainer familiarize with learners.

5. Experiential activities- It includes role-plays, problem-solving tasks, simulations, on-the-job tasks, case studies, and reflective games.
6. Flipped Classroom- It is a dynamic training concept that engages the learners before the training through pre-training materials, then engages them in activity-based training, and ends with continuing assignments. This method is gaining popularity due to its wide applicability even in the online training platform.
7. Games and Activities- Using relevant management or business games encourages the learners to participate in the learning activities with enthusiasm. The games break the monotony of regular classroom training and simultaneously develop the learners' skills. Serious games improve skills like observation, motivation, overcoming criticism, strategic thinking, team building, etc…
8. Group Discussion-Group discussions are used to let the learners share their experiences or knowledge, create new ideas or action plans, do a need assessment, understand complex issues and then make group decisions.
9. In-basket- In the in-basket exercise, the learner confronts issues and problems that accumulate in the manager's "in-basket". The learners prioritize and solve the issues. This makes them learn the methods to solve complex issues at the workplace.
10. Lecture and Interaction- Lecture is the most commonly used classroom training method. It is an efficient and cost-effective way to train a large number of learners at one time. Lectures with interaction make the training more participative than the lecture.
11. On-the-job practice- Staying at the workplace and understanding the job responsibilities, the knowledge, and skills needed to do that job is on-the-job training. This is usually carried out by trainers who also act as coaches or mentors.
12. Outbound- It is a physical activity-based behavioral training for the development of the learners (employees). It is based on experiential learning methodology and is usually conducted as an outdoor or adventure program.
13. Powerpoint slides & whiteboard- Powerpoint slides and whiteboards are used as a regular aid/ tool for lecture methods or storytelling.
14. Presentations- The learners learn better when they make presentations on what they learn or understand. Feedback from the audience also makes them confident.
15. Psychometric tests- Self-assessment through psychometric tests help the learners to understand their behavior and modify it as per the workplace requirement.
16. Role-playing- Role-playing is one of the most effective methods to learn and gain experience. An individual who assumes a role during the process remembers the feelings so emanated intensely and uses them at the workplace. The role-playing also helps the other non-participating learners to analyze the behavior of people in a given situation. They learn to react to various behavior.
17. Sandbox tool- This term has been borrowed from the world of IT. To do any security research or dive into malware analysis, a sandbox is used to ensure that all resources are unavailable to the virtual machine, Sandbox makes the new or alien process go through the working environment without affecting the original process.

Similarly, the trainers make the learners work on dummy projects or schedules that produce results but do not affect the organizational processes.

18. Simulation- Simulation training creates a life-like learning environment that mirrors the actual work scenario. Trainees use their real knowledge and skills in practice by reading the available literature on theory or listening to lectures and utilizing them through physical, hands-on activity.

19. Storytelling- Stories can teach important lessons and make learning and development, for even professionals, an unforgettable learning experience. Stories help understand and remember important information. Abstract concepts can be easily communicated through stories.

20. Teach-Back- The teach-back method is popularly called the "show-me" method. It is a communication confirmation method. This method is taken from the communication pattern of the healthcare providers. This method helps trainers and learners to reiterate the lessons learned and confirm its use in the workplace.

The expert trainers interviewed for this study use as many as 20 different methods for their training programs. They select these methods after analyzing the audience, the topic, and the venue. The training methods used by the trainers are in sync with the theoretical framework. All off-the-job training methods listed in the theoretical framework are used by the trainers. Methods like **sandbox tools and the teach-back method are novel and not listed in the theoretical framework.**

Sandbox Tool is a combination of the on-the-job 'Assignment method' and off-the-job 'Simulation method'. The trainer gives the learners an assignment at the workplace. However, the results of the assignment do not affect any of the existing processes. Yet like simulation, the individual results of the assignments are derived and discussed for learning and improvement.

Another method is the Teach-Back method. This method is mentioned as a level 2 evaluation method in Kirkpatrick's Four-Level of Training Evaluation (2016). But here, the trainer uses this as a training method. In this method, the trainer asks the learners to communicate a work plan based on the concepts learned during the training. Later, the learner provides feedback on the applicability and the effectiveness of the work plan at the workplace. This helps the learner to experience the concepts at the workplace and make modifications when required. These two methods are novel and need to be studied in detail. These methods should also find a place in the existing scheme of training methods.

The Most Effective Behavioural Training Methods

When asked about the training methods that they find most effective keeping in view level 2 of Kirkpatricks' training evaluation model, the trainers listed out those methods that enhance learning among the trainees. The learning is measured through a post-test. The post-test scores indicate learning effectiveness. Thus on this parameter, the trainers find certain training methods more effective than others while conducting behavioral training programs. The responses of the trainers are sorted and presented in the table below. The frequency refers to the number of experts who use the method frequently to produce the desired results.

The following are the **most effective behavioral training methods:**

Sl. No.	Most Effective Behavioural Training Methods	Terms Used	Frequency (No. of experts)
1.	Case study and situation analysis	Case studies, Cases, Case discussion	9
2.	Roleplay	Job Shadowing, Role-Modeling	8
3.	Game-based method	Games, Business games, gamification, Management games	8
4.	Classroom Interaction	Interaction and on the job practice examples, Classroom session with experience sharing, Whiteboard	6
5.	Group and Individual Presentations		3
6.	Audio-Visual Aids	Byte Size video, Video case studies, movie examples	5
7.	Psychometric tests	psychometric tools	4
8.	In-basket		3
9.	Simulation		4
10.	Speaking and Writing Activities	Worksheets	3
11.	Computer-based training	VILT, e-learning	4

Table 3: Most Effective Training Methods

The above table lists the training methods that the trainers find most effective. As for the trainers, in their experience, these methods help the trainees learn better. Learning in Kirkpatrick's training evaluation model is the measure of the information that is absorbed by the trainees during the training. This is usually measured with the help of a test immediately after the training.
In this study, the Case Study method is the most effective as mentioned by nine trainers out of the sixteen interviewed. The next most effective methods are the Role Play method and Games based method, followed by the classroom interaction (lecture-cum-discussion) method. Based on the responses the following ranking table is presented below:

Rank	Most Effective Behavioural Training Methods	Frequency (No. of experts)
1	Case study and situation analysis	9
2	Roleplay	8
2	Game-based method	8
3	Classroom Interaction	6
4	Audio-Visual Aids	5

5	Psychometric tests	4
5	Simulation	4
5	Computer-based training	4
6	Group and Individual Presentations	3
6	In-basket	3
6	Speaking and Writing Activities	3

Table 4: Ranking the most effective methods

The most Engaging Training Methods

The trainers find that certain training methods engage the trainees more than the others. Training methods that they find most engaging are the methods that draw positive reactions from the participants. This is comparable to level 1 of Kirkpatrick's model of training evaluation. The focus of this level is on engagement, relevance, and satisfaction. Thus on this parameter, the trainers find certain training methods more effective than others while conducting behavioral training programs. The responses of the trainers are sorted and presented in the table below. The frequency refers to the number of experts who use the method frequently to produce the desired results.

Sl. No.	Most Engaging Training Methods	Frequency Distribution	Top 5 Training Methods
1.	Games and Activities	12	Rank 1
2.	Role Plays	12	Rank 1
3.	Movie Videos or Audio-Visuals with lecture	11	Rank 2
4.	Case Studies	10	Rank 3
5.	PowerPoint Slides	10	Rank 3
6.	Demonstrations	9	Rank 4
7.	Small group discussions	8	Rank 5
8.	Story Telling	7	Rank 5
9.	Whiteboard or blackboard with lecture	5	Rank 6
10.	Individual Presentation	4	Rank 7
11.	In basket & Simulation	1	Rank 8

Table 5: Most Engaging Training Methods

The trainers find games, activities, and role-plays the most engaging training methods. The reasons for these methods to be most engaging are that these methods break the monotony, increase participation and interaction. These methods facilitate experiential learning, learning from the peers and the trainer in one go. However, the trainers sign a word of caution that these methods may fail to achieve the program objectives if they have no relation with the contents or if the debriefing is not appropriate.

The interview analysis provides an overview of the training methods that are used by the trainers in India. It also deciphers the most effective and the most engaging methods of training as perceived by the trainers. The top 5 methods with a consolidated view of the findings 4 and 5 can be presented as follows:

Method	Effectiveness Rank	Engagement Rank	Consolidated Rank (based on the mean values of frequencies)
Case study and situation analysis	1	3	2
Roleplay	2	1	1
Game-based method	2	1	1
Classroom interaction	3	2	3
AV aids with lecture	4	2	4

Table 6: A Consolidated Ranking of the Most Effective and Engaging Training Methods

Thus, the most effective behavioral training methods that help a trainer achieve the training objectives (level 1 and level 2 of Kirkpatrick's model of training evaluation) are Role Play, Games and Activities, Case Studies, Classroom interaction with AV aids.

Conclusions

Although the study is exploratory, yet it provides certain crucial insights about training methods. It is helpful for budding trainers to consider these methods while planning their training presentations. It is also helpful for academia to probe deeply into the reasons that make certain training methods more effective than others, and suggest ways to make every method equally effective. An excellent content poorly delivered can make a training program ineffective and wasteful. Thus, the study gives the immense possibility to improve the quality of delivery in a training program; it identifies the need to evaluate training methods separately to test their effectiveness.

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Declaration of Conflict of Interest

The author declares no potential conflicts of interest concerning the research, authorship, and/or publication of this article.

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Customer Service and Value Creation in a Changing Environment

Board Structure and Value Creation
Does Board Structure has any Impact on Human Capital Efficiency?

Tourist Preferences at the time of choosing Rural Destination
Preference Indicators for Rural Tourism

Management Perception of Customer Expectation on Service Preferences
A Perception GAP Analysis

Globsyn Management Journal (GMJ)

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Globsyn Management Journal

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Patron-in-Chief's Desk

Globsyn Business School was started in 2002 with a vision to create industry-ready managers for the technology-driven knowledge economy. Having been promoted by Globsyn with deep roots in IT hardware, training and fulfilment, GBS uses technology-enabled platforms and systems - like GBSdirect, eGlobsyn and SkillsXchange, among others - in all its operations and processes. With Globsyn now looking at Artificial Intelligence as an area of focus, the students of our B-School can only expect greater dependence on Machine Learning, Data Analytics and Internet of Things to further improve the academic delivery process.

One significant aspect of the delivery process is our pioneering concept of learning "Beyond Education." Through Beyond Education we have amalgamated academics, corporate ethics and human values in the student development process. Globsyn Management Journal (GMJ) is one such effort. Having being published over 10 years, GMJ has successfully positioned itself as a signature journal for all management educatory researchers and students to come together and experience the power of diversified management education.

I wish this all success!

Bikram Dasgupta
Founder & Executive Chairman
Globsyn Group

Patron's Desk

I am pleased that the Globsyn Faculty Team and Management has been able to sustain its Annual Research Journal for long 10 years. This is the 11th issue.

This publication is inter-disciplinary and allows research articles to be drawn from every area of Management - be it Statistics, Economics, IT or Marketing or Finance or even HR.

Our editorial board is very strong with members from India and abroad and the Review Process is very stringent.

The journal includes not only Research Articles, but also relevant Perspectives from Indusrry and Case Studies written by eminent researchers in India and abroad.

I do hope that the GBS faculty and the Management team would strive to continue this research culture and progressively raise the bar and improve the standard of the journal further over time.

I wish this effort a great success.

Prof. R. C. Bhattacharya
Vice Chairman - Globsyn Business School
Director - Globsyn Technologies Ltd.
Globsyn Business School, Kolkata

Editorial

Dear Readers,

Greetings from Globsyn Management Journal (GMJ)!

We are happy to release the 11th issue of the journal that covers various dimensions of the business ranging from determining organizational efficiency and performance to understanding customer perception and related preferences.

The issue further covers industry Perspectives, Case-study and Book-Reviews for the benefit of our esteemed readers.

I would also take this opportunity to thank all the researchers who generously offered their writings for publication in GMJ.

Let me also take this opportunity to extend my sincere gratitude to our honourable Patron-in-Chief, Patron, GMJ Editorial team and all others at Globsyn Business School who were associated with GMJ, for lending their helping hand and expert guidance.

Finally, I wish my heartfelt thanks to each and everyone who has immensely contributed to the successful publication of this issue.

With best wishes to all our esteemed readers of GMJ!

Dr. Joy Chakraborty

Associate Editor

Research Articles

Board Structure and Value Creation: A Human Capital Efficiency Approach

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Abstract

The present study examines the association between board structure and corporate performance, where Human Capital Efficiency (HCE) is used as performance indicator, which is one of the ingredients of value added efficiency (VA) of the firm's physical and intellectual resources. This study uses HCE performance indicator instead of more commonly used financial terms or profitability ratios. It is argued that the inclusion of intellectual elements into the measurement provides a long-term measurement of corporate performance. The HCE is part of Value Added Intellectual Coefficient (VAIC), developed by an Austrian, Ante Pulic. The two board characteristics that are of interest in this study are board composition and board size. Based on a randomly selected sample of 74 companies listed on BSE 100, it was found that board composition and board size have a positive and negative impact on firms' performance respectively. The outcome of the study puts emphasis on the importance of outside directors in board because it plays a vital role in long-term corporate performance and it is one of the major requirements of the Indian Corporate Governance code and BSE.

Keywords – Value added, intellectual coefficient, corporate governance, firm performance, Clause 49, BSE

1. Introduction

Intellectual capital management is not and cannot be a means to an end in itself but must be in the function of value creation, which is the prime objective of any business. Therefore, it is very important to deal with this inevitable issue. Nowadays, businesses are based on achieving growth and long term value creation. The problem is, that the traditional indicators of business success, such as increase in revenue, cash flow, profit, market share, and technological leadership in fact do not provide information whether the companies really create value for the shareholders and owners or not, and this causes conflict between management and shareholder. Only when a company creates more than what it has invested in resources, it can speak of value creation. With regard to this, it is of vital interest to all stakeholders that business strategy is directed towards that objective – value creation – and that the measuring systems reflect the ability of management to achieve that objective. However, increasing pressure and responsibility towards shareholders and employees imply the focus on value creation as the new criterion for business success. The ultimate objective is to enhance a company's abilities in the long term, which can be achieved by investing in intellectual resources (especially in human capital, which is the key factor in value creation in modern businesses) and increased mobilisation of the internal potentials of the company, first of all the intangibles.

There had been drastic change in contemporary organisational activities due to liberalisation of global market (Jurczak 2008). The importance of skilled human capital has increased and became an effective tool for achieving competitive advantage in the global market. In value creation of any organisation, employees at plays a vital role because they are one who put the tangible assets into use (Fitz-enz, 2000). According to Bontis (1998), the intangibles and skilled employees signifies the important and distinctive attribute of the any emerging economy, and been in continuously developing phase due to global competition. Nonetheless, the importance of Human Capital (HC) has been under acknowledged by Fitz-enz (2000), Gan and Saleh (2008). Becker, Huselid and Ulrich (2002) stated that human capital in the organization should be valued based on its performance. Yusuf (2013) pointed out that the primary goal of any business is maximizing shareholders' value by proper capital investment. He argued that proper utilization of human capital leads to successful implementation of business strategies, and proper return on capital employed. Therefore, human capital is significant in value creation of any organisation in the contemporary era.

According to Baron (2003), around 75 percent of market relies on intangible assets mostly human capital which is one of the important components of Value Added Intellectual Coefficient (VAIC), the method developed by Pulic in 1998. VAIC basically contains three main components namely Human Capital Efficiency (HCE) which indicates the value added by human capital, Structural Capital Efficiency (SCE) which indicates the value added by structural capital, and Capital Employed Efficiency (CEE) which refers to the value added by capital employed of the company (Rahim et al. 2010). As Kaes (1999) pointed out measuring intangibles is essential for managing them in an effective way. Abidin et al. (2000) studied the board structure and corporate performance and found that more outside directors on board have better performances, and board size too has positive impact on firm performance. However, using human capital efficiency as a performance indicator has not yet been taken for measuring its impact on board structure, hence which gives research question. *Do board structure can be measured using human capital efficiency as a performance indicator?*

The main purpose of this study is to examine the relationship between board structure and human capital efficiency (HCE) in Indian context. This study uses the Human Capital Efficiency parameter as a performance measurement, as suggested by Ho and Williams (2003). According to them, there is a link between corporate board features and corporate performance.

2. Literature Review

Value creation is presented as an effect of the connections between human, structural and customer capital. One of the approaches to "valuing" suggests that the object of "valuing" is to create (more) value and to generate value via the transformation or improvement of corporate routines and practices. So, 'value added' in this study is defined as the wealth created (or contributed) by the firm through the utilisation of its key productive resources (Ho and Williams, 2003). Human capital represents knowledge, skills, motivation and capabilities of individual employees to provide solution to customers.

Becker et al. (2002) defined human capital as 'the productive efforts of an organization's workforce'.

According to Edvinsson and Malone (1997) human capital refers to the knowledge, expertise, innovative ideas and the capability of employees to solve problems in the organization and contribute to achievement of organizational goals. Ahonen (2000), Fincham and Roslender (2003) stated that human capital is the only intangible property which generates value as employees bring their skills and competencies to the company and deal with customers. Chen, Zhu and Xie (2004) believed that human capital has more importance than capital employed and structural capital employed in an organisation. Stiles and Kulvisaechana (2003) argued that there exist the significant and positive relationship between high human capital efficiency and high organisational performance. There are several organizational assets invested in a process such as skilled employees, equipments, energy and material. But the basic question which arises is, whether and to what extent human capital efficiency has an impact on the organisational performance? (Fitz-enz, 2000)

Makki, Lodhi and Rahman (2008) studied the following problem and pointed out that any outcome in the organizational process is mainly happened due to its skilled workforce. Human capital has been many times ignored by the people, as the key factor affecting the process, but when structural capital investment does not meet the expectations, then all the blame is imposed on the operator as the main source of the problem Fitzenz (2000), Gan and Saleh (2008). Fitz-enz (2000) argued that under a different condition, if the company outcome improves twice then managers will affirm that is caused by the combination of human capital and automation. The question then arises as to what extent did human efforts cause the change, compared with other kinds of capital? Makki et al. (2008) believed that 'Human capital has great role to play in overall performance of the firm'. In a review of previous studies(Goh 2005; Makki et al, 2008; Gan and Saleh, 2008; Ting and Lean 2009; Phusavat et al. 2011; Mondal and Ghosh, 2012; Komnenic and Pokrajcic, 2012), it can be recognized that there is a significant relationship between Human Capital Efficiency and organizational performance. According to Plink and Barning (2010) human capital can generate significant value for companies and provide them with sustainable competitive advantage. But, there still exist the problem of measuring the human capital efficiency?

Board composition is defined as percentage of non-executive independent director at corporate board. An independent director is one who has no relationship with the company except holding a seat at director's position in an organisation. Companies Act 2013 (Corporate governance code, Clause 49) recommends, that there need to be a balance (at least one third of the board members should be independent directors) at board level which can improve decision making and functioning of an organisation. The argument for the need of independent non-executive directors on the board substantiated from the agency theory, which states that due to the separation between ownership and control, managers (given the opportunity) would tend to pursue their own goals at the expense of the shareholders (Jensen and Meckling, 1976). Hence, by having independent non-executive directors on the board, helps in monitoring and controlling the opportunistic behaviour of management, and assist in evaluating the management more objectively. In the absence of such monitoring by outside directors, managers might have the incentive to manage earnings in order to project better performance results and hence increase their compensation. Empirically, studies on the association between independent non-executive directors and firm performance have shown mixed results. Dehaene et al. (2001) founded significant positive relationship between the number of independent directors and return on assets, which lends support to the notion that independent directors provide superior benefits to the firm as a result of their independence from firm management and which in turn helps investor in taking their own investment decisions.

Yermack (1996) concluded that small boards of directors are more effective, as he founded an inverse association between board size and firm value. In that study, the effect of board size on two variables, namely investors' valuation of the company and return on assets has been tested. It was found that when the board consists of between four to ten members, the investors' valuation of the company and the return on assets decreases steadily. When the board size is more than ten, there is no significant relationship between the board size and investors' valuation, but the return on assets decreases less rapidly. The result of his study is robust to numerous controls for firm size, industry membership, inside stock ownership, and growth opportunities.

3. Research Methodology

3.1 Theoretical framework

Based on the extensive literature, board structure (board composition and board size) have been identified as possibly having an impact on corporate performance (human capital efficiency) and accordingly these variables are set as the independent variables in this study.

3.2 Control Variables

In defining the linear regression models the following control variable is considered to isolate the contribution of Human Capital to corporate performance of the companies (Mondal and Ghosh, 2012), and hence, three control factors (profitability, assets utilization ratio and firm size) are included in the linear regression model for this study. These factors have been known to have an impact on corporate performance, and hence need to be controlled in the study. According to Wahab et al. (2007), the inclusion of the control factors reduces the risk of model misspecification due to missing variables.

3.3 Dependent Variables

The dependent variable is the HC efficiency of firms, which is used as a measure of corporate performance. The relationship between each of the independent variables (board composition and board size) and corporate performance is hypothesised as follows:

H01*: There is no relationship between the percentage of board composition and the HC efficiency of firms listed in BSE 100.*

H02*: There is a no relationship between board size and the HC efficiency of firms listed in BSE 100.*

3.4 Sample

All companies listed in BSE 100 were taken as population for this study. However, firms belonging to the financial services industry were excluded. This is due to the different regulatory bodies which governs them, with different set of rules and regulations. This also follows from the argument that regulation makes the efficiency differences across firms, potentially rendering governance mechanisms less important (Vafeas and Theorodou, 1998).

From this set of population, 74 companies have been selected after removing all the companies which belong to finance sector. These 74 companies were selected as sample for the study without discriminating between the different industries. Besides that, the convenient sampling technique is also applied in this research, where the availability of the annual reports of the chosen companies on the BSE, Money Control and

Prowess Database, played important role in determining the inclusion of the company in the final list. In other words, companies that do not have annual reports readily available on the website and database were eliminated from the sample list.

Thus, sample size of 74 companies is about 74% of the population of BSE 100 companies and is deemed sufficient for the purpose of the statistical analyses, planned to be performed to study the relationship between board structure and HC efficiency of the firms.

3.5 Variable Measurement

The independent variable used in this research is Human Capital Efficiency, which is a component of Value Added Intellectual Coefficient developed by Pulic (1998). According to value added intellectual coefficient, human capital is a resource which equals to capital employed in the firm. Hence, firms should strive to achieve a maximum result (increase the efficiency of its resources in adding value) by utilising its resources as well as possible. Human Capital Efficiency equation is written as:

HCE= VA/HC

- Where HCE stands for Human Capital Efficiency, which is indicator of value added efficiency of human capital in the firm.
- VA represents Value Added for firm, which is computed by following equation

  VA= Total Revenue – (Operating Expenses-Salaries)
- HC represent human capital of firm which computed by adding the salaries and benefit which company provides to its employees.

3.6 Statistical tools

For the purpose of empirical analysis, Pearson correlation and linear multiple regression was used. A descriptive analysis was applied on independent variables and control variables. The Pearson correlation analysis was applied for identifying the variables which were highly correlated and checking the same for multicollinearity and auto correlation. To test the relationship between the independent variables (board composition and board size) and dependent variable i.e. HCE, regression was applied.

$$HCE = ß_0 + ß_1 BrdComp + ß_2 BrdSize + Control\ Variables + e_i$$

Where:

$ß_0$ = Intercept coefficient

$ß_1$ & $ß_2$ = Coefficient for each of the independent variables

Control Variables = Represents the control factors included in the regression analysis, which are profitability (ROA), assets utilization ratio (AUR) and firm size (Firm Size)

e_i = Error term

4. Results and Discussion

4.1 Descriptive statistics

The descriptive statistics (as given in table - 1) for the independent variables indicate that the average number of directors on the board in the sample companies is about 14 members. On average, the HC efficiency coefficient for the firm human capital resources in this study is 15.8568, which indicates that return on every Re 1 invested in human capital is more than Rs 15.85, hence this shows high effectiveness of human capital in the Indian firms listed at BSE 100. The board composition indicates 0.4285 which means that average non-executive independent director in the firm in BSE 100 is around 43 percent, which is more that 33.33 percent minimum requirement of non-executive independent director in corporate board (Corporate Governance, Clause 49, 2013).

Table 1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
HCE	74	1.253	319.136	15.85686	41.270816
BS	74	8	23	13.85	2.969
BC	74	.0000	0.6700	0.428514	0.1022176
AUR	74	0.030	2.960	0.95473	0.759436
ROA	74	-9.910	70.940	10.58068	11.796957
FS (Ln TA)	74	10.342	15.337	12.49030	1.263040
Valid N (listwise)	74				

Source: Calculated

4.2 Correlation

The Pearson correlation was applied to check the correlation between the independent variables and accordingly checking the degree of multicollinearity and serial correlation problem among the variables. The results, (as given in Table - 2) depicted that board size is positively significant to firm size (at p=5%), whereas board composition is negatively significantly to firm size (at p=5%), asset utilization ratio is also significant and positively related to return on assets and firm size (at p=1%). Return on assets is significant and positively related to assets utilization ratio and firm size (at p=1%). Whereas firm size is positively significant to all the independent variables (at p= 5% and 1%). However, when correlation between different independent variable and control variables is seen, it was found that, in spite of significant correlation between independent variables and control variables, only one of the correlations coefficients exceeded 0.80 (80%) and others were less than 0.8, which is indication of highly correlated variables, and at the same time indicates about multicollinearity and serial correlation problem. Hence, it may be concluded that multicollinearity is not a serious problem in this case.

Table 2: Pearson Correlation Analysis

		BS	BC	AUR	ROA	FS (Ln TA)
BS	Pearson Correlation	1	-0.182	0.053	-0.211	.284*
	Sig. (2-tailed)		0.121	0.652	0.071	0.014
	N	74	74	74	74	74
BC	Pearson Correlation	-0.182	1	0.086	0.164	-.284*
	Sig. (2-tailed)	0.121		0.469	0.164	0.014
	N	74	74	74	74	74
AUR	Pearson Correlation	0.053	0.086	1	.421**	-.410**
	Sig. (2-tailed)	0.652	0.469		.000	.000
	N	74	74	74	74	74
ROA	Pearson Correlation	-0.211	0.164	.421**	1	-.391**
	Sig. (2-tailed)	0.071	0.164	.000		0.001
	N	74	74	74	74	74
FS (Ln TA)	Pearson Correlation	.284*	-.284*	-.410**	-.391**	1
	Sig. (2-tailed)	0.014	0.014	.000	0.001	
	N	74	74	74	74	74

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

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

Source: Calculated

4.3 Regression analysis

From the output of the analysis in Table 3, the analysis of variance (ANOVA) test indicates a significant p-value of 0.003 which means there is sufficient evidence to infer that at least one of the explanatory variables is linearly related to HCE, and the model seems to have some validity. The R square value explains the variation in dependent variable i.e. HCE, here R square value is 0.225, which means that independent variable and control variable explains only 22.5% variation in total variation of human capital efficiency. According to Keller and Warrack (2003), the R square does not have a critical value that enables a conclusion to be drawn. However, in general, the higher the R square value, the better the model fits the data. In this study, the R square value is not quite high since only about 22.50% of the variation in the dependent variable is explained by the model, denoting a moderate relationship between the explanatory variables and the HCE.

Table 3: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.474[a]	0.225	0.168	37.645138	2.260
a. Predictors: (Constant), AUR, BS, BC, ROA, FS (Ln TA)					
b. Dependent Variable: HCE					

Source: Calculated

Table 4: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27972.823	5	5594.565	3.948	.003[b]
	Residual	96366.637	68	1417.156		
	Total	124339.461	73			
a. Dependent Variable: HCE						
b. Predictors: (Constant), FS (Ln TA), BC, BS, ROA, AUR						

Source: Calculated

4.4 The Impact of Board Composition on HCE

Table 5 shows that the coefficient for percentage of independent non-executive directors on the board (t = -1.70) is significant at the 10% level. In addition, the coefficient is negative at -77.15. This means that for each additional decrease in the percentage of independent non-executive directors to total board size, the HCE decreases on average by 0.77%, holding other explanatory variables constant. Hence, it can be inferred that the null hypothesis (H_{01}) is rejected. In other words, as the percentage of independent non-executive directors on the board decreases, the HC efficiency of the firms' also decreases. This is consistent with Ho and Williams (2003) findings which showed that independent non-executive directors contribute to corporate performance as a whole.

4.5 The Impact of Board Size on HCE

The results of the regression analysis in Table 5 shows that the coefficient for total number of directors (board size) is significant at the 5% level. However, the coefficient is negative, suggesting that there is a moderately significant negative relationship between board size and HCE. This is similar to the theoretical model and the stated hypothesis, which predicts a negative relationship between board size and company performance. Hence, **H02** is rejected. Thus, the finding indicates that a larger board size contributes less towards firms' performance as a whole. Therefore, a larger board size means more confusion and more time consumption at decision-making level. The result favours the argument of Eisenberg et al. (1998) who suggested that a large board size is more vulnerable to being overpowered by the CEO.

Table 5: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-27.850	62.746		-0.444	0.659
	BS	-4.718	1.613	-0.339	-2.924	0.005
	BC	-77.155	45.300	-0.191	-1.703	0.093
	FS (Ln TA)	11.406	4.239	0.349	2.691	0.009
	ROA	0.086	0.435	0.025	0.197	0.844
	AUR	-1.313	6.905	-0.024	-0.190	0.850
a. Dependent Variable: HCE						

Source: Calculated

4.6 Control Factors

The regression results also showed that for the control factors included in the analysis, the coefficient for return on assets (ROA) and assets utilization ratio (AUR) is found to be insignificant, and firm size is positively related to HC efficiency. One of the limitations of this study is its small sample size, which consists of only 74 companies. Most studies involving corporate governance structure and firm performance had used all non-financial companies listed on the board in its sample (Rahman and Haniffa, 2002). Apart from this, other control variables also need to be used. Due to the numerous variables and items that need to be collected, the choice of 74 companies in this study is more manageable, and is still valid for statistical analysis. However, an extension of this study to include all the companies listed on BSE 100 would further enhance the generalisation of the findings.

5. Conclusion & Way Forward

The study examines the importance of one of the corporate governance aspects, namely board composition and board size. Compared to previous literature on board structure-performance relationship, this study uses the HCE (Human Capital Efficiency) methodology – an approach of VAIC (Value Added Intellectual Coefficient) to measure corporate performance where only human capital aspect has been taken as the parameter for performance measurement. In general, the results of this study provide evidence that independent non-executive directors on the board have a positive impact on firms' performance. Whereas, the board size was found to have negative impact on the firms' HC efficiency.

The results also imply that minimum requirement of one-third of non-executive independent directors at the corporate board by CG clause 49 2013 and by BSE listing agreement is very important. This is because independent non-executive directors possess a diverse background, attributes, characteristics and expertise, which may improve board processes and decision-making and consequently firm performance. Independent non-executive directors also play a vital role in the long-term performance of the company, as they contribute significantly to the performance of intellectual resources of the firm. There is also evidence to suggest that a small board size performs effectively and there seems to be no communication and coordination problem among the board members. This is similar to most US studies which stated that a small board size is more effective and performs better. This is perhaps due to the differences in the culture and nature of the firms, as this particular study is conducted in a developing Asian country. Regardless of the board composition and size adopted by the company, it is important that they make adequate disclosure on this matter in the annual reports so that users can decide for themselves. It would also be more meaningful to perform a comparative analysis between India and other developed and developing countries, which could determine the human capital efficiency and its performance against similar or opposite situations.

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Tourist Preferences at the Time of Choosing Rural Destination

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Abstract

Rural tourism is a form of nature based tourism that uncovers the rural life, culture, art and heritage at rural locations, thereby favoring the local communities socially and economically. Rural tourism brings people of different culture, faiths, languages and life style, close to one another and it provide a broader outlook of life. It not only generates employment for the people but it also develops social, cultural and educational values. Rural tourism can be considered to be a vital organ of rural development as well as sustainable development The paper aims to identify the factors that have significant impact on choosing rural outskirts of Kolkata the capital city of West Bengal. The factors that have been identified are Information, Security, Choice of sites, Access, Complaint redressal, Value for money and Other attractions having a positive & significant influence on tourist preferences when they are choosing a rural destination for a holiday. The survey is conducted through questionnaire method in 5 point Likert scale distributed among 250 respondents out of that 211 properly filled up questionnaires have been arrived to researchers.

Keywords: *Rural Tourism, sustainable development, rural development, rural life.*

1. Introduction

Tourism has been considered as a service as well as means of entertainment concerned with economic activity. Any site promoted as a destination of the tourists leads to the economic development of the region that also provides several kinds of employment opportunities for the localites. Tourism through upgradation of the economic structure in our developing country India, paves the way of modern economic growth. Rural tourism provides an enormous driving force to domestic tourism to extend its capabilities for the growth and expansion of international tourism. The rural destinations are becoming increasingly popular of being chosen as tourist spots in comparison to traditional tourism, primarily for relieving mental and physical stress due to overexertion and boredom in the daily life of the tourist, experienced in the metropolitan areas. The secondary cause being, to be in a relaxing mood of enjoying the peaceful nature of the rural environment. Apart from the above, societal development of the rural areas in terms of transportation, communication, accommodation, retail stores and other facilities are also attractive for the tourists' convenience. Cultural development in the rural areas include events, religious celebrations, sports, jatras (theatres), melas (fairs) and other form of entertainment. The future growth of rural tourism market blended with new ideas and approaches to leisure and recreation time are encouraging the wishes and intentions of goods or services of the consumers at a faster pace.

There are many forms of rural tourism and hence it can be defined in multiple ways. Rural tourism as defined by Department of Tourism (1994) is a multi-faced activity that takes place in an environment outside heavily urbanized area. It is an industry sector characterized by small scale tourism business, set in areas where land use is dominated by agricultural pursuits, forestry or natural area.

As per World Tourism Organization and many European organizations, rural tourism refers to a form of tourism that includes any tourist activity in rural areas organized and led by the local population, exploiting local tourism resources (natural, cultural-historical, human) and facilities, tourist structures, including hostels and agro tourism farms.

Rural tourism is a form of nature based tourism that uncovers the rural life, culture, art and heritage at rural locations, thereby favoring the local communities socially and economically. Such form of tourism has created tremendous impact on the local economy and socio-cultural scenario of the concerned area on one hand, and carries a potential scope for the rural residents on the other hand.

Rural tourism brings people of different culture, faiths, languages and life style, close to one another and it provides a broader outlook of life. It not only generates employment for the people but also develops social, cultural and educational values. Rural tourism is one of the opportunities that rural communities might consider to improve productivity and incomes which can generate long term benefits for villagers. Thus rural tourism can be considered to be a vital organ of rural development as well as sustainable development.

2. Related Literature Survey

Raghavendra et. al (2016) conducted a study identifying various forms of rural tourism, role of government and private sector in enhancing the prerequisite of the efficient tourism, problems in rural tourism and developing suggestions and recommendations for rural tourism. The study reveals that endorsing a rural spot for tourism can competently benefit socio-economic aspects of the rural people. The study also uncovers that rural tourism possesses the strength to increase public appreciation of the environment and to spread awareness of environmental problems when it brings people into closer contact with nature and the environment.

Srivastava (2016) conducted a study on Agri-tourism at Dungrajya Village of Southeast Rajasthan. Such tourism formulates in a place where agricultural activities and tourist interacts. The study reveals that the tourists stayed in the village, enjoyed various agricultural activities, village sports, animal rides, and other recreational activities at reasonable cost that widens the scope of tourism.

Wang et. al (2016) in the study emphasized the need for sustainable forms of tourism by tracing the possible socio-economic, cultural and environmental impacts of current forms of Rural Tourism. The meanings of terms such as Rural, Rurality and Rural Tourism have been explored. It focuses on the generation of Rural Tourism in India, its growth and impacts and the need for its sustainability. The principles and significance of sustainable rural tourism can be achieved through research, information dissemination, proper planning, implementation and monitoring of policies and working towards strengthening of institutions.

Seal (2016) conducted a study at Anegundi village of Karnataka state that aimed to understand the significance of entrepreneurship in rural tourism which can contribute to its sustainable rural development. The study evaluates various challenges to entrepreneurial development of rural tourism in Anegundi considering its climate and culture. The study also aimed at determining feasible solutions to deal with issues in enforcement of rural tourism based entrepreneurship. The study reveals that the rural tourism based entrepreneurship is an effective mechanism for rural development, as it opens up alternative earning opportunities for the localites other than agriculture.

Lee et. al (2016) conducted conjoint analysis of consumer preference to destination brand attributes at Shandong Province, China. The survey collected demographics information, such as geographic area, age, marital status, income, ethnic group, gender and education level. Besides demographic information, the survey also included other consumer characteristics such as family members, current employment status, etc. The factors which initiate a tourist in choosing rural destination are food and accommodation, safety, good shopping facilities, beautiful natural attractions, good climate, interesting cultural events, interesting historical attractions, sports, transportation, etc. The findings of the study reveal beautiful nature of the environment as the most significant factor to attract the tourists.

Singh et. al (2015) presented that the rapid pace of growth & development of rural tourism in India is due to the number of visitors that focuses on sustainable development, considering the priorities and needs of localites. The possible socio-economic, cultural and environmental impacts of current forms of rural tourism have been identified as needs to sustainable development. Rural Tourism in India is now one of the niche tourism products which holds good potential to attract wealthy clients, who likes to go for a change in rural environment, seeking mental peace from fast, busy and concrete city life. Rural Tourism in India thus fulfils Govt's. Objective of diversification of tourism products and create local employment in distant villages.

Gangadhara (2015) examines issues relating to rural women as promoters of rural tourism, their identities in rural tourism, and issues relating to prospective strategies which can prove beneficial to promotion of rural tourism through women entrepreneurship. This can be destined towards women empowerment which can bring changes in the global economic scenario.

Mili (2012) in the study aims to explore the potentialities of rural tourism at Tipam Phakey village of Naharkatia in Dibrugarh District (Assam), having great diversity of culture, tradition and natural resources with special focus on unique Buddhist culture, made it an attractive tourist destination. The destination has created a basis of attractions for outsiders, which induces to promote local, socio-economic and cultural changes and lifestyle of the people residing in and around this tourist location. The study also aims to find out various constraints and possibilities of tourism development in the study area. The findings of the study revealed three tourism themes - Eco-tourism, Cultural tourism and Village-based tourism which benefit both tourists and localites. The socio-economic impacts are employment to youth, boost to the handloom industry, preservation of natural resources, and exposure to their religion.

Jhang (2012) conducted SWOT analysis to make a comprehensive evaluation and analysis on strengths, weaknesses, opportunities and threats in the development of rural tourism in Suzhou. The study clearly determines the advantages and disadvantages of Suzhou rural resources, comprehends the opportunities and challenges to be faced, and also proposes the corresponding counter measures. The paper hopes to provide a decision reference for the development of rural tourism in Suzhou, as well as promote the sustainable development of rural tourism in Suzhou.

3. Factors Which Are Considered By Tourists While Choosing A Rural Destination

Rural tourism, which in its more genuine way, considered as a branch of ecotourism is off late protuberating at an accelerated pace. The untapped potential of this niche tourism has mandated many of the tour operators to premeditate the tour packages. To append in this, there are also many recognized resorts and hotel chains who have seriously conceptualized this wonderful opportunity to promote the inventive and innovative ways of attracting the travelers and the holiday makers. Purportedly, an attempt is made to contemporize the segmentation strategy to create a niche distinctly termed as "Rural Tourism". Owing to its adaptation it has certainly made to understand the potential of the picturesque Indian villages which appeals to the visual retreat of not only domestic travelers, but foreigners as well.

The obvious question which further props up is to browse through the underlying reasons for which this sudden surge of spree of rural tourism has been witnessed as never before.

In its most unpretended sense, it is worth considering the fact the access to a plethora of information sources is the prime interface for which the huge enquires for rural tourism has got its leverage. With a click of finger the prospective travelers are experiencing the thrills and activities associated with the rural tourism activities. Bullock Cart Riding, Canoeing, Rock Climbing, Angling, Tree-House staying, Bonfire, Rejuvenating by Ayurvedic detoxification, and all such activities associated with the rural tourism embeds a new-fangled idea of rethinking about the holiday destinations and reschedule the itineraries. Several home stays, Zamindar house stays as well as the resorts covering the extent of different financial stretches are advertised through websites which indeed eliminates the requirement of any third party to get involved in the booking process. The huge number of travel magazines in both vernaculars as well as in English are also a platform for rural tour operators to advertise about their product in such special interest magazines to the prospects, which minimizes the additional pennies being invested without getting the expected returns. Government - run tourist organizations and the State - tourism offices also plays a momentous role to instill the curiosity of rural tourism. For example the " Rann Utsav " of Gujarat, or the" Sirpur Dance festival" of Chattisgarh and the" Sonepur Cattle Fair" of Bihar are just some of the examples taken as initiatives by the respective state government to attract huge travelers to these places which otherwise are not very popular destinations compared to some of the most sought after holiday destinations like Himachal Pradesh, Goa, Rajasthan or the Andamans.

The choice of the rural tourist destinations are also a matter of reinventing oneself where a holiday lover or putting in a much simpler term word such as a "Tourist" enjoys the stay. A recent study conducted by the Professors of University of Virginia attested the fact that the choice of the holiday destination is definitely an indicator of the personality of the traveler. Some of the conclusions suggested that the proximity to some natural sites are more alluring factors to attract such people. An entertainer is more slanted on spending his time at 'Siolim House' in a sleepy hamlet at the Goa Coast line, a thinking type of a person may prefer to stay at home stay in the rolling hills of Munnar in Kerala whereas an attention seeker will prefer to attend the "Rann Utsav" and tantalize himself in the medley of vibrant hues contrasting the white sand of the Rann of Kutch.

A person inquisitive to know the past and delves himself behind the lifeless pillars and columns of palaces and citadels to vibrate in tune with the untold stories of the past will naturally be a little more prejudiced about a historical site. While tapping the full potential of rural tourism the tour operators should be able to entice to the person by highlighting its proximity with such destinations.

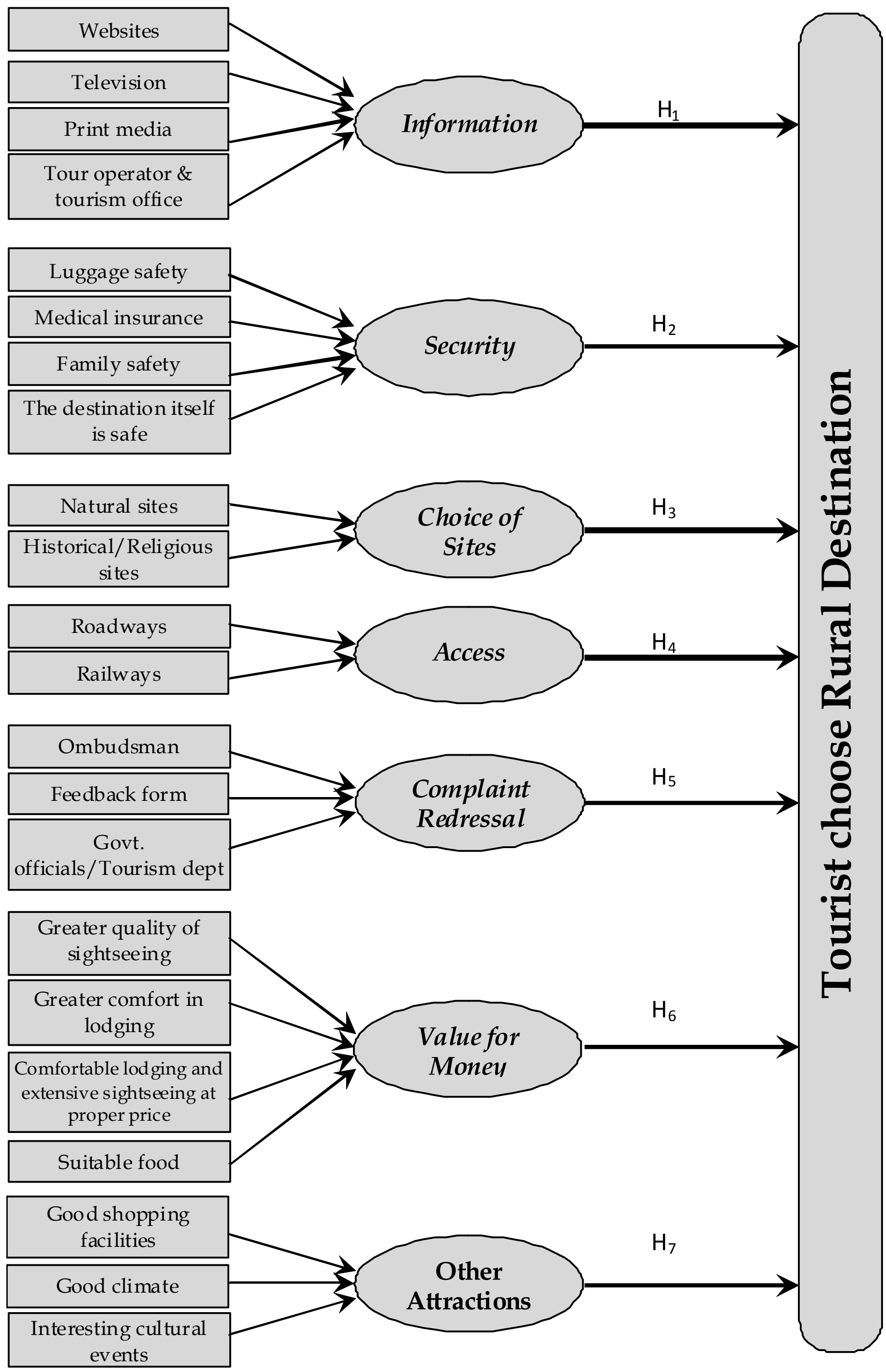
While proposing a tourism business idea, it is imperative to address the five A's of tourism - attraction, access, accommodation, awareness and amenities. Together they tally up to the creation of a booming tourism destination and a prosperous tourism business. The access to the tourist destination is a quintessential parameter for making a foray into the consideration set for short-listing on the destination. Excellent connectivity to a secluded rural destination should ideally not be somewhat a misnomer in this case. It is true that the rural connectivity is not as advanced as their urban counterpart, but it should easily connect as a one stop destination from the nearest city or large town for that matter. The proximity to Patna City is a prime assuring factor for an urban dweller those who want to get their foot loose in the rugged Mela arena to soak into the rawness of the rural 'Mela' vibes but at the same time coming back to the resort or a hotel in Patna at late night for a soothing good night sleep. Just a mere 12 kms away from the state capital of Kohima and an one and half hour drive from the airport at Dimapur is a substantiating factor for being a part of the colorful extravaganza of witnessing the cultural mélange at the Hornbill festival." Muruguma tribal village" at the state of West Bengal or "The Hermitage" of Karnataka are very popular rural destination as a weekend gateway from Kolkata and Bangalore to have an escape from the chores of those bustling metropolises. Connectivity via an excellent arterial network of roadways and railways are one of the prime considerations for choosing on these destinations.

Concern for physical, social and financial safety has always been a concern for planning a motive of human beings and tour planning is not also an exception. Though the trepidation for safety is a general and an universal concern, the opaque opinion about the facilities in rural areas step ups the heightened attention regarding the safety issues on rural destinations. Ostentatious display of jewellery or a costly gadget is surely to invite unwanted attention in a rural environment with a sparse population. Travel and tourism companies therefore need to ensure safety issues for their visitors. Another important area of concern is whether the resort or the home stay can commute urgently a traveler to the nearest city at multispecialty medical setup in case of an urgent medical crisis. Though the requirement of medical insurance is not that much pronouncing factor while planning for a domestic holiday, but that can also be a contemplating factor to look upon in future.

The utility derived from every sum of money spent is inarguably the top of the mind concern while equating the minimum purchase price and the maximum efficiency received from the purchase. This thumb rule of economics also etches into the field of a tourism sector where the tourists persistently compare the "value for money" derived from an intangible service like travel and hospitality. However there is hitherto no unanimous opinion about the factors that exhaustively contributes to determine the value for money while selecting a rural tourist destination. For backpackers and adventure lovers, an effort of sightseeing to divulge the pristine beauty of the unexplored is the determining factor. For the foodies, exciting the taste buds with the wide choice of food served at the destination is that "value for money" factor. Those who just want an escape from the hustle and bustle far from the madding crowd, the comfort of the lodging facility is the decisive factor in such cases. The rural tourism promoters ideally should have that "something" for all these group of travelers and tourists.

Whether it is " Hodka" village in Gujarat for its gleaming exquisiteness of glass work or the concoction of fabrics in "Pipli" village of Orissa; whether it is conjuring up very posh and instagrammable image and buying the " one of its class" of wine from "Grover Zampa Vineyards" at small village near Nandi Hills, Karnataka, or whether purchasing a hunting gear and the colorful dress of the Angami Nagas at "Tuephema" at Nagaland, shopping has always been an interesting and at the same time a mandatory activity for the Indian travelers. A souvenir or purchasing exclusive things which is typical to the destination has always been a sought after activity. Promoters of Rural tourism in India have to give repute to this fact and possibly can advertise about the destinations highlighting a section as "take home". Cultural programmers on request at night at the resort premises at these rural destinations can spice up to its attractiveness in selecting the destination which otherwise becomes a sleeping hamlet after dusk. The factors identified in the above discussions are not of course exhaustive and impeccable list of factors but these are some of the most important considerations which the urban tourists or travelers arranges in their mind while fixing up their next holiday destination.

3.1 Hypothesized Research Model



3.2 Objective Of The Study:

- To study the preferences of tourist at the time of choosing the rural destination

3.3 Hypotheses Of The Study:

H_1: Information is having a significant impact on choosing rural destination

H_2: Security is having a significant impact on choosing rural destination

H_3: Choice of sites is having a significant impact on choosing rural destination

H_4: Access is having a significant impact on choosing rural destination

H_5: Complaint redressal is having a significant impact on choosing rural destination

H_6: Value for money is having a significant impact on choosing rural destination

H_7: Other attractions are having a significant impact on choosing rural destination

3.4 Research Methodology

Descriptive Research has been used to conduct the study and the type of research design is Cross-sectional. The primary data has been collected for the study through a pre-tested questionnaire whereas all the secondary data has been collected from doctoral theses, magazines, research articles, credible sources etc. In this study researchers have collected the samples from Kolkata, capital of West Bengal. The questionnaires were distributed to the 250 respondents and out of that 211 properly filled up questionnaires have been arrived to researchers. The researchers have used 5 point Likert scale in questionnaire. In the questionnaire, respondents are requested to indicate, on five-point Likert scale, ranging from "highly important" to "highly unimportant", a statement explaining the degree of their perceived importance of a factor. For overall data analysis the researcher has used SPSS 21. Convenience sampling method has been used to collect various perceptions of subscribers of different mobile service providers in West Bengal. Exploratory Factor Analysis and Multiple regression method has been used to conduct the study.

4. Analysis & Data Interpretation

4.1 Validity Testing

In order to be certain about the research instrument as well as the data collected, validity is checked. For this study, face validity, content validity, discriminant and convergent validity were checked for confirmation of the instrument. In face validity, researchers determine whether or not their instrument is valid enough to measure what is intended to measure and this is done by taking the validity of the instrument at face value. In order to validate the instrument, academicians, professionals and potential respondents were shown the questionnaire to thoroughly review and analyze the content. Content that was unfit and may have caused issues in the future was deleted or modified. In content validity the content of the questionnaire was thoroughly checked and matched with the theoretical framework. Three questions were deleted after analyzing the content so as to make sure that the instrument is valid. So, here both face & content validity has been checked.

The construct validity contains convergent & discriminant validity. Here, the various variables of the factors is having a strong co-relation coefficient between them and most of the co-relation coefficients values are in higher ranges. So, here it proves that the convergent validity exists. Though there are high co-relation coefficients between the variables of a particular factor, there exists very weak correlation between the one factor's variable to another factor's variable. Here, it also proves that the discriminant validity exists.

4.2 Reliability Testing:

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
0.912	25

Source: Calculated

Here overall reliability of the study was judged by the Cronbach's Alpha for 25 variables and it is good (0.912) in our study. Cronbach's alpha has been used to measure internal consistency of questionnaires and found to be strong and reliable. The reliability score for questionnaire is 0.912. Though the value is well above 0.70, from the above table, so the researcher can conclude that the Cronbach's Alpha result is acceptable & accordingly the researcher can proceed with the further analysis.

KMO Test (0.883) indicates factor analysis is appropriate with the data. The KMO Measure of Sampling Adequacy is showing 0.883 which is quite suitable to conduct the factor analysis. It is also showing that Bartlett's Test of Sphericity is .000 which is quite acceptable. So, it means it is useful to conduct the study. Bartlett's test of sphericity describes that significance level is less than 0.01 means variables are correlated within a construct. So, it proves the Convergent validity. The following table highlights the rotated factor loading with their respective variance explained (in %). Here factor loading values are more than 0.5 and segregated 8 factors separately, which indicates the evidence of convergent & discriminate validity. 8 factors from Rotated Component Matrix describe total 80.715 % of the variance and it clearly says that it is more than the value of 60%, which is recommended for the analysis.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.883
Bartlett's Test of Sphericity	Approx. Chi-Square	1772.192
	df	231
	Sig.	.000

Source: Calculated

Table 3: Rotated Component Matrix

Variables	Factors with Loadings							
	Information	Security	Choice of sites	Access	Complaint redressal	Value for money	Other attractions	Tourist preferences
Websites	0.777							
Print media	0.713							
Television	0.685							
Tour operator & tourism office	0.591							
Family safety		0.853						
The destination itself is safe		0.802						
Luggage safety		0.742						
Medical insurance		0.634						
Natural sites			0.769					
Historical/Religious sites			0.617					

Variables	Factors with Loadings							
	Information	Security	Choice of sites	Access	Complaint redressal	Value for money	Other attractions	Tourist preferences
Roadways				0.814				
Railways				0.729				
Ombudsman					0.791			
Feedback form					0.687			
Govt. officials / Tourism dept					0.624			
Greater quality of sightseeing						0.839		
Greater comfort in lodging						0.768		
The destination has suitable food						0.643		
Comfortable lodging and extensive sightseeing at proper price						0.597		
The destination has a good climate							0.768	
The destination offers interesting cultural events							0.681	
The destination has good shopping facilities							0.634	
Pollution free and nature friendly environment								0.884
Beautiful natural attractions or historical attractions								0.813
Emerging growth of home stays with excellent hospitality								0.716
Variance Explained	16.288	14.021	13.006	12.868	9.325	7.561	5.279	2.367
Cumulative	16.288	30.309	43.315	56.183	65.508	73.069	78.348	80.715
Cronbach's Alpha	0.903	0.896	0.892	0.909	0.885	0.899	0.878	0.881

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.[a]

a. Rotation converged in 7 iterations.

Source: Calculated

According to the table the eight components have found more than 1 Eigen values and the total variance explained by them is 80.715% which is quite adequate to conduct the study. From the above table it has been observed that all the 25 variables have been divided in 8 components. Here, we have used the Principal Component Analysis for extraction & Varimax with Kaiser Normalization for rotation method.

Rotated Component Matrix table illustrates that the 1st component explains about Information, 2nd component explains about Security, 3rd component is about Choice of sites, 4th, 5th, 6th, 7th & 8th explains about Access, Complaint redressal, Value for money, Other attractions and Tourist preferences respectively. The component named Information explains about Websites, Print media, Television and Tour operator & tourism office, where websites are the most influencing factor. The component named Security explains about Family safety, the destination itself is safe, Luggage safety and Medical insurance, where family safety is the most influencing factor. Third component named Choice of sites explains about Natural sites and Historical sites whereas, Natural sites are the most influencing factor. Like that, from 4th component, named as Access, the most influencing factor is Roadways; the other influencing variable is Railways. The 5th component, named as Complaint redressal,the most influencing factor is Ombudsman, whereas the other factors are Feedback forms & Govt. officials/Tourism dept. The next component is termed as Value for money & in this category the most influencing factor is Greater quality of sightseeing, whereas other influencing factors are Greater comfort in lodging, the destination has suitable food, Comfortable lodging and extensive sightseeing at proper price. In the Other attractions factor, the most important variable is the destination has a good climate. The other influencing factors are the destination offers interesting cultural events and the destination has good shopping facilities. In last factor named tourist preferences, the most influencing factor is Pollution-free and nature-friendly environment, whereas the other influencing factor are Beautiful natural attractions or historical attractions and Emerging growth of home stays with excellent hospitality.

4.3 Regression Analysis:

The eight factors which have been identified from the Factor Analysis are, Information, Security, Choice of sites, Access, Complaint redressal, Value for money, other attractions and Tourist preferences. Here the Tourist preferences have been used as a Dependent Variable and the remaining seven factors have been used as an Independent variable.

Table 4: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.857[a]	0.734	0.727	0.59766	1.964

a. Predictors: (Constant), Information, Security, Choice of sites, Access, Complaint redressal, Value for money, Other attractions
b. Dependent Variable: Tourist preferences

Source: Calculated

Table 5: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.684	7	4.669	13.072	.000[b]
	Residual	72.510	203	0.357		
	Total	105.194	210			

a. Dependent Variable: Tourist preferences
b. Predictors: (Constant), Information, Security, Choice of sites, Access, Complaint redressal, Value for money, Other attractions

Source: Calculated

Table 6: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.163	0.252		4.615	.000		
	Complaint redressal	0.022	0.052	0.026	0.420	0.005	0.912	1.096
	Access	0.054	0.043	0.084	1.262	.000	0.771	1.297
	Security	0.132	0.058	0.171	2.257	0.025	0.592	1.690
	Value for money	**0.248**	**0.047**	**0.360**	**5.247**	**.000**	**0.720**	**1.388**
	Information	0.059	0.046	0.093	1.286	.000	0.645	1.551
	Other attractions	0.015	0.050	0.023	0.293	.000	0.550	1.818
	Choice of sites	0.124	0.055	0.151	2.256	0.002	0.760	1.316
a. Dependent Variable: Tourist preferences								

Source: Calculated

Information, Security, Choice of sites, Access, Complaint redressal, Value for money, Other attractions are the independent variables whereas tourist preference is the dependent variable in this study. The multiple regression will give the answer that which is the most influencing factor when tourists are choosing a rural destination to conduct a tour.

To test the multiple regression, at first, the researcher have found out 0.857 as the Correlation coefficient (R) for Model 1, it emphasizes an amount of correlation between the independent variables and dependent variable (tourist preferences). The R square value explains the 0.734 or 73.4% which is quite acceptable for the study. The Durbin-Watson is mainly explaining that there is no auto-correlation though the value is quite close to 2.

The ANOVA table shows that the F value is 13.072 with degree of freedom 7 and here the significance value is .000 which is less than .05 and it means it is quite acceptable.

Multi-collinearity has been checked through Variance Inflation Factor (VIF) which needs to be less than 3 for acceptability range. Here all VIF values are in acceptable range and that the variables are free from multi-collinearity.

From the coefficient table the researcher has found that Value for money is having highest un-standardized B value of .248 as well as t value is also high. So it is the most preferred factor on tourist preferences. After that the second highest will be security with the B value of .132 and then choice of sites is the 3rd most preferred factor. The other independent variables like Information, Access, Complaint redressal and other attractions are following after that. It is also observed from the study that other attractions are least preferred attribute.

It is interpreted from the result that tourists are mainly looking for what so ever they are paying in return they are getting proper facilities or not. Another important reason is the basic facilities like food, lodging, sightseeing, proper price-these all are the parameters of Value for money and that is why it is mostly preferred by tourists. Security is the second most preferred factor because after all tourists want to visit the places without any disturbances. Choice of sites is the third most preferred parameter because the main attraction of visit to any area, if it is a natural site, is some scenic beauty and if it is a historical/religious site, then history-lovers and religious minded people will get attracted. Other attractions and complaint redressal are the least preferred factors because these two factors do not have much impact on tourist preferences.

Information, Security, Choice of sites, Access, Complaint redressal, Value for money and other attractions are having a positive and significant influence on tourist preferences when they are choosing a rural destination for a holiday. It has also been found out that all the seven factors are quite significant at 1% & 5% significance level.

So, the multiple regression equation can be expressed as,

Tourist Preferences= 1.163 + (.022) X_1 + (.054) X_2 + (.132) X_3 + (.248) X_4+ (.059) X_5 + (.015) X_6+ (.124) X_7

[Complaint redressal = X_1, Access = X_2, Security = X_3, Value for money = X_4, Information = X_5, Other attractions = X_6, Choice of sites = X_7]

5. Conclusions

"Incredible India" is not just a tagline of India Tourism now; it has got its much awaited impetus to grow at a much faster rate and to compete with other tourist hotspot destinations of the world. The government of India is providing all the support required in tandem with the various state tourism departments. India stands because of its own bravura amongst the other countries of the world where almost all the tourism products are available under one roof. Whether for its wild untamed forests, or sun kissed golden beaches, whether to sail in its regal past, or whether for its undulating and high standing snow capped proud mountains, whether for its mesmerizing and dazzling yellow deserts or whether for its un-spoilt rural beauties and smell of soil, India has all in her fold. In some of the countries of Europe, like Austria, Denmark and Britain, rural tourism or putting it in much simpler words, spending a holiday in a country-side to blend oneself with the authentic lifestyles of the locals in a pristine backdrop is the latest cult. According to latest census of 2011, India has 6,40,867 villages but the potential if many of these villages to attract tourists in future has not yet been realized fully. Poor infrastructure, lack of will of public and political parties, political games, instability of the governments at the state level, environmental concerns and the involvement of people in the projects and the tourism initiatives are significant roadblocks in the process, If such manacles are uncuffed in near future, then Indian villages surely can be a sought after destination for spending a great vacation.

6. Scope For Future Studies

This study has been taken as a field of endeavor to unleash the parameters which are considered by the tourists and travelers, when they decide while considering a rural destination for spending their next vacation. However it has to be said at this juncture that these factors are extracted from rehearsing over the previous research reports as part of the literature review. Information, Security, Choice of sites, Access, Complaint redressal, Value for money and the attractions of the destination itself are the parameters which are considered for finding out how and to what extent they effect the choice of sites by formulating the multiple regression model for ascertaining the coefficients.

However these parameters which are identified in this case are not exhaustive and there may be some other parameters which can influence the decision-making process. In such case the multiple regression equation formed will definitely change. The concept of 'niche' further created a nice segment in this industry like "Tea Tourism", "River Tourism'', "Wellness tourism," and needs to be separated from the broad dimensions of "Rural Tourism".

Inadvertently, it is understood that Government initiatives, if taken by integrating the efforts taken by the various State governments and the Central government, the required impetus can be given for the Tourism sector in Rural India to flaunt in its austerity. This research paves a future avenue to investigate on this field and suggest various synergetic action plans. Further research work on this topic can also focus on the level of involvement of the local rural people in the rural tourism sector which can be conducive for its future growth.

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Annexure

Constructs	Questions
Information	1. Websites
	2. Television
	3. Print media
	4. Tour operator & tourism office
Security	5. Luggage safety
	6. Medical insurance
	7. Family safety
	8. The destination itself is safe
Choice of sites	9. Natural sites
	10. Historical/Religious sites
Access	11. Roadways
	12. Railways
Complaint redressal	13. Ombudsman
	14. Feedback form
	15. Govt. officials/Tourism dept
Value for money	16. Greater quality of sightseeing
	17. Greater comfort in lodging
	18. Comfortable lodging and extensive sightseeing at proper price
	19. The destination has suitable food
Other attractions	20. The destination has good shopping facilities
	21. The destination has a good climate
	22. The destination offers interesting cultural events
Tourist preferences	23. Pollution free and nature friendly environment
	24. Emerging growth of home stays with excellent hospitality
	25. Beautiful natural attractions or historical attractions

Management Perception of Customer Expectation on Service Preferences: A Study on Life Insurance Companies in West Bengal

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Abstract

"Sustainability" is the watch word of any management research in the recent past. To sustain in this dynamic environment where the customer preferences changes frequently due to easy accessibility and availability of information the service providers must be proactive about the changing pattern of customer likes and dislikes. Extensive Research and Development must form an integral part of their operational activities to stay ahead of competitors. The present research aims to build a robust framework of sustainable competitive advantage for the service providers by identifying the GAP between what managers think of customers expectation and what customers actually expect. Independent sample t test is used to test the significance of the GAP. The significant GAPs need to be identified and addressed to become more effective and develop core competencies to delight customers' in the long run. The present research estimates that there are significant gaps in various dimensions of service quality. Thus proper planning and implementation of the operational strategies need to be executed by identifying the customer expectation and live up to the same by providing quality service delivery.

Keywords: *Life Insurance Sector, Knowledge GAP Analysis, Service Quality, SERVQUAL*

Summary:

The current study is essential to develop customer knowledge about the life insurance sector. The researcher has come across a very few study specifically dealing with service quality attributes of Life Insurance Sector in West Bengal. The earlier studies were restricted to any town or district or regarding any particular company only. Any study focusing on the service quality gap of the entire life insurance industry in West Bengal is yet to be identified. Also the gaps in the above studies were measured using the standardized scale of SERVQUAL (RATER), which may not be applicable to life insurance sector as the nature of insurance services is different from banking services. Studies have been found in other parts of India but the results of these studies may vary in the context of West Bengal.

Through this study the researcher aims to provide the insurance service providers an insight of the scenario so that they can reframe their targeting strategies and select appropriate media vehicles for promotion.

1. Introduction

The insurance industry of India consists of 53 insurance companies of which 24 are in life insurance business and 29 are non-life insurers.

Among the life insurers, Life Insurance Corporation of India (LICI) is the sole public sector company. Among the non-life insurers there are six public sector insurers. In addition to these, there is sole national re-insurer, namely, General Insurance Corporation of India (GIC Re). Other stakeholders in Indian Insurance market include agents (individual and corporate), brokers, surveyors and third party administrators servicing health insurance claims. ("Indian Insurance Industry Overview & Market Development Analysis", 2017). Government's policy of insuring the uninsured has gradually pushed insurance penetration in the country and proliferation of insurance schemes are expected to exceed this key ratio beyond 4 per cent mark by the end of this year, reveals the ASSOCHAM latest paper.

During April 2015 to March 2016 period, the life insurance industry recorded a new premium income of Rs 1.38 trillion (US$ 20.54 billion), indicating a growth rate of 22.5 per cent. The life insurance industry reported 9 per cent increase in overall annual premium equivalent in April-November 2016. In the period, overall annual premium equivalent (APE)- a measure to normalise policy premium into the equivalent of regular annual premium- including individual and group business for private players was up 16 per cent to Rs 1,25,563 crore (US$ 18.76 billion) and Life Insurance Corporation up 4 per cent to Rs 1,50,456 crore (US$ 22.48).

India's life insurance sector is the biggest in the world with about 360 million policies which are expected to increase at a Compound Annual Growth Rate (CAGR) of 12-15 per cent over the next five years. The insurance industry plans to hike penetration levels to five per cent by 2020.

The country's insurance market is expected to quadruple in size over the next 10 years from its current size of US$ 60 billion. During this period, the life insurance market is slated to cross US$ 160 billion.

1.1 Current Challenges faced by Insurance Companies

Low financial literacy and poor access to financial services in India pose a problem in penetration of the right kinds of life insurance products - more in terms of the right mix of savings and protection. This is combined with the fact that consumers and distributors both lack understanding of the true purpose of life insurance. Consumers are not clued in about their life stage needs, and the product solutions suitable for such needs. The distributor, armed with an array of products is also unable to give proper insurance guidance to the consumer due to limited knowledge of the true purpose of each financial instrument. This leads to mis-selling, which is a huge negative factor for the life insurance industry. Another major challenge is posed by the media and influencers. Often, the life insurance industry is portrayed in a negative manner and hence the consumers become skeptical of the life insurance industry. The result is that, they may not purchase life insurance, even though a legitimate need exists. The fact that life insurance promotes a regular routine of small savings for long term savings and protection is not propagated. Sometimes, companies due to too much profit orientation mislead the customers by confusing advertisements.

1.2 Service Quality as Strategic Weapon

Delivering quality service can be used as 'strategic weapon' for effective positioning of their services in the mind of target customers. Quality is defined as 'conformance to specification'. It is a relative construct that depends on the perception of individuals. Quality can also be seen as the degree of satisfaction derived from using a product or service. The unique aspect of quality is that it always comes from the customer's end and not from provider's end. So to evaluate the quality of service it is essential to identify the gap of customer expectation and perception of different dimension of service quality as proposed by any standardized scale. The result will indicate the customer feedback of service quality in holistic manner.

1.3 Theoretical Framework of the Study

1.3.1 Service Quality Dimensions

Parasuraman, Zeithaml and Berry (1988) proposed 10 service quality dimensions. They included reliability, responsiveness, competence, access, courtesy, communication, creditability, security, understanding (customer's knowledge) and tangibles. They simplified the ten dimensions of service quality into five dimensions as tangibility, reliability, responsiveness, assurance and empathy. These five dimensions measure the performance of 22 items in the SERVQUAL scale.

The factors covered by the different Service Quality dimensions used in different application areas are presented in the following Table 1.

Table 1: Service Quality Dimensions according to usage

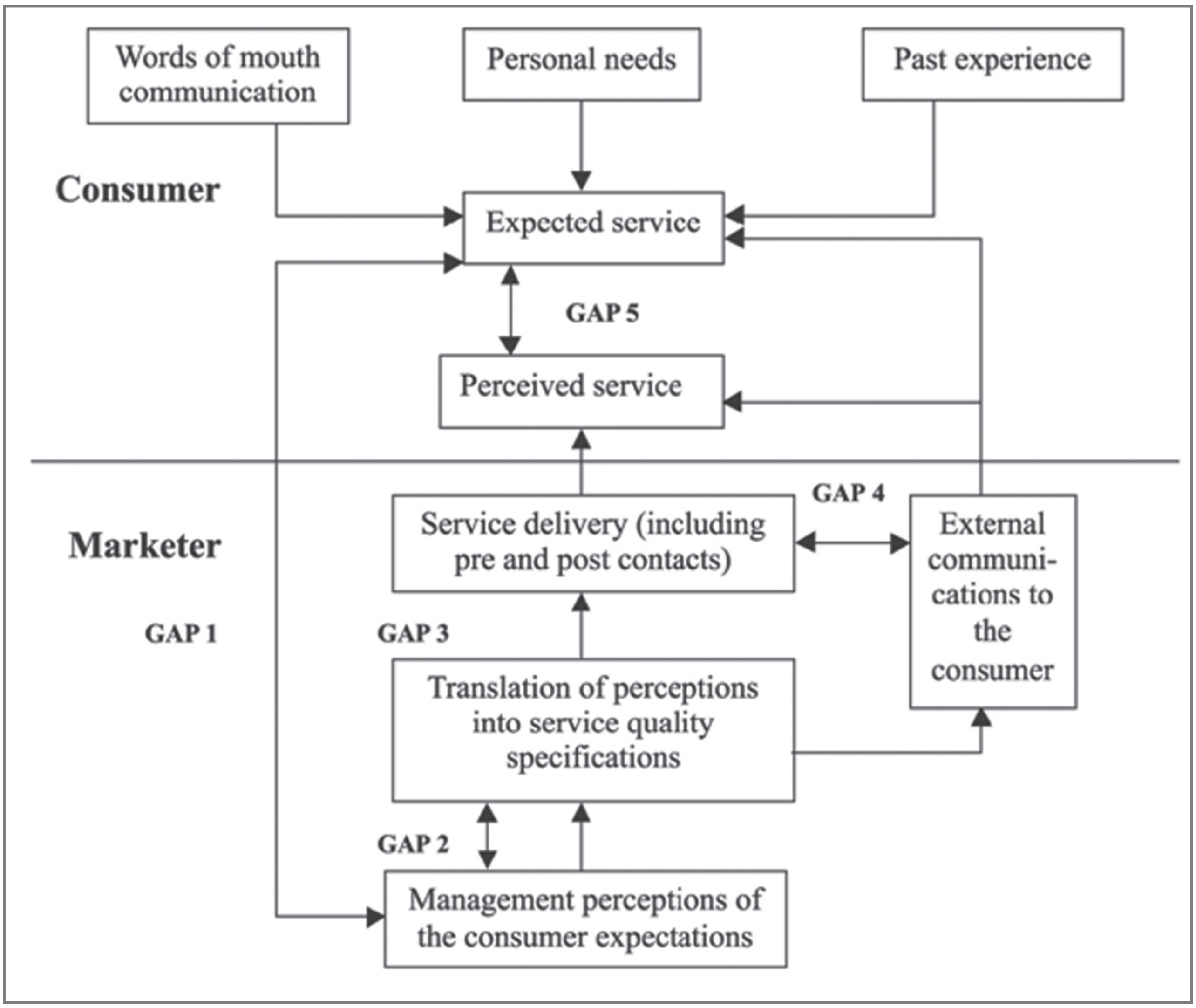
Authors	Application Areas	Service Quality Dimensions
Parasuraman, Zeithaml and Berry	Telephone, brokerage, banks, repair and maintenance	Reliability, Responsiveness, Tangibility, Empathy, Assurance
Lehtinen	Restaurants, Hotels, Pubs, Food Junctions	Corporate Quality, Physical Quality, Interactive, Process, Output
Rosen and Karwan	Health Care, Teaching	Reliability, Responsiveness, Assurance, Knowing the customers, Tangibility, Access
Siu and Cheung	Retail Stores, Departmental Stores/Chains	Personal Interaction, Policy, Problem Solving, Physical Appearance, Promises, Problem Solving, Convenience
Mehta and Lobo	Life Insurance	Assurance, Personalized Financial Planning, Tangibles, Technology, Competence, Corporate Image

Source: Sharma, R. K., & Bansal, M. R. (2011). Service Quality Assessment in Insurance Sector: A Comparative Study between Indian and Chinese Customers. Research Journal of Finance and Accounting, 3(5), 1-17

1.3.2 Service Quality Gap Model

To develop greater understanding of the nature of service quality and deliver high quality service, Parasuraman et. al. (1988) developed a model that shows major requirements for delivering high-quality service. This model is also known as SERVQUAL model as in Figure 1.

Figure 1: Servqual Model



Source: Parasuraman, A., Zeithaml, V. and Berry, L.L. (1988)

2. Literature Review

Customer service has become a distinct component of both product and service sectors and with the developments in information technology many businesses find demanding and knowledgeable customers. Several literature is found describing the importance of service quality and its impact on customer satisfaction and customer loyalty. An intensive review is conducted and a brief description of some of the relevant studies is given here.

Parasuraman et. al. (1988), Iacobucci et al. (1995), Rust et al. (1995), Bloemer et al. (2002), Chumpitaz and Paparoidamis (2004) have highlighted time and again that delivering excellent/superior services is the corner stone of customer loyalty, as the causality of relationships between loyalty and its main antecedents is described in the literature by the sequence "service quality to customer satisfaction to customer loyalty".

Das (2012) has concluded that the life insurance sector in India has enlarged by more than twice after the formation of IRDA. It is also observed that LICI is losing its market share in favor of new entrants or private companies. Being the largest insurance company in India, it is obvious that LICI has the largest strength of insurance agents and insurance business. It is further seen that LICI is well ahead of private insurers in terms of premium collection. It is worth noticing that all private companies suffered huge losses, but again, only LICI earned profits. It can be said that, LICI is the only life insurer in India that is fairly settled but the market share of LICI is decreasing day by day. Private players play a rivalry role in the insurance market. Further, it is observed that there should be a large gap between new business premium amount and renewal premium, but in case of Indian insurance business, this gap is too narrow. Moreover, the operating expenses of both private and public players are too high which needs to be minimized.

Dave (2012) has concluded that among customers of life insurance companies, male and female have not significantly different expectations with regard to the contents of advertising. On the other hand male and female satisfaction for agent's services is significantly different. The study also revealed that salaried persons, housewives, businessmen and farmers' expectations for contents of advertising are significantly related.

Gulati et al. (2012) have concluded that there exists a significant perceptual difference among customers regarding overall service quality with their respective insurance companies. With regard to gap analysis of customers' expectations and perceptions, it is found that the 'Dimension of Responsiveness' accounted for highest gap score followed by 'Reliability and Tangibility' which depicts that insurance employees are less responsive to customers' needs. Further it is concluded that the customers are less satisfied by the services provided by insurance companies. The gap between desirability and availability is an alarming bell for some insurance companies.

Jain and Munot (2012) have concluded that a large number of households are not aware of the importance of being insured and this awareness is found to be comparatively better in households where members are insured, rather than households where members are not insured. Also, the misconceptions are also found to be higher in uninsured households.

Šebjan & Tominc (2014) studied the relationships among components of Insurance Companies and Services Quality through SEM approach. The sample size was 200 Slovenian users of insurance services. The results indicated that higher perceived innovation of insurance company was associated with higher perceived reputation of insurance company.

Singh et al. (2014) studied the customer perception towards Service Quality of Life Insurance Companies in Delhi NCR Region.

Qureshi and Bhat (2015) in their study of service quality, customer satisfaction and customer loyalty in LIC in Srinagar district indicate that there is a service quality short fall in all the six dimensions of service quality with Personalized Financial Planning being the most important dimension of concern, followed by Competence and Assurance.

3. Objectives of the Study

Through this study the researcher aims to provide the insurance service providers an insight of the scenario so that they can reframe their targeting strategies and become more customer –focused and effective in implementing the strategies subject to the given constraints. The major objectives of the study is to analyze the service quality gaps of insurance provider's expectation of customer perception and the actual customer perception.

4. Methodology

Variables used for the Study

The following variables are used for the data collection process:

i) Demographic variables – age, education, gender, profession, income, marital status and profession.

ii) Service Quality Dimensions – Assurance, Personalized Financial Planning, Tangibles, Technology, Competence, Corporate Image

iii) Type of Insurance companies – Public, Private

4.1 Data Collection

4.1.1 Sampling plan

The present study is exploratory and empirical in nature. The study examined different aspects of service quality in insurance sector, through primary as well as secondary data. Primary data are collected from (a) customers (b) managers. For the collection of primary data the structured questionnaires were drafted initially through content analysis and literature survey. Structured, non-disguised, close-ended questionnaire was used as research tool. It consists of 2 parts. Part 1 is the demographic study and it consist questions pertaining to the respondents' demographic profiles, such as age, gender, educational qualification, location and annual income. Part 2 consisted of 15 questions (Consumer Opinion) related to major drivers of customer satisfaction in life insurance industry. All the 15 questions of the questionnaire from part 2 used a likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree.

Both primary and secondary data are collected to achieve the stated objectives. In order to collect primary information from customers and managers the researcher developed two questionnaires through repeated pilot survey. 544 customers and 96 managers were interviewed, by using two-stage sampling technique, in and around Kolkata, Nadia, North 24 pgs, Hooghly. The two stages involved Cluster Sampling (Area Sampling) followed by Stratified Random Sampling. 4 districts (clusters) are selected randomly from the lists of districts in West Bengal which is taken as the sampling frame. The insurance companies in each Cluster (district) are divided into 2 Strata. They are i) Private Life Insurance Companies ii) Public Life Insurance Companies. They are selected according to ranking by World Blaze (http://www.worldblaze.in/top-10-best-life-insurance-companies-in-india/2/). Top 3 ranked private life insurance companies have been selected. They are 1) ICICI Prudential Life Insurance 2) HDFC Standard Life Insurance 3) SBI. According to IRDA website with 70.4 per cent market share in FY16, LICI continues to be the market leader, followed by SBI (5.1 per cent), HDFC (4.1 per cent) and ICICI (4.9 per cent). The above companies are selected based on their current market share. LICI is the sole public player with chunk of the market share. Among the private players SBI, HDFC and ICICI together occupy about 50% of the share. So these companies are only included assuming they are the best performers of Life Insurance Industry in India.

For Public domain only the sole player LIC is selected. Systematic Random Sampling is used to select respondents from the customer's list of the individual company. The managers are selected conveniently from each company (strata) and each district (cluster).

4.2 Data Analysis

The research is exploratory and empirical in nature. The scale used in the model is a customized version of SERVQUAL model developed by Mehta & Lobo (2004). This model measures service quality on dimensions namely, Assurance, Personalized Financial Planning, Tangibles, Corporate Image, Competence & Technology. The scales developed on the basis of the above said model is found reliable at 0.7 level of cronbach alpha value.

The collected data has been organized, tabulated, analyzed and interpreted with the help of appropriate model and statistical techniques. The analytical techniques include Independent Sample t test to test the significance of the GAPs.

5. Findings

The demographics of the respondents are presented under the 8 attributes i.e. age, gender, qualification, profession, income level, marital status. The following Table 2 depicts the respondent's profile and the type of company they have selected for patronizing. As far as the age is concerned in Table 2, almost 20 percent of the respondents were between 30-40 years and 40-50 years, 22 percent of the respondents are between 50-60 years. Gender-wise, 55.5% of the respondents were male and only 44.5% were female. 21% of the respondents were HS, followed by 25% graduates and Post graduates (51%). According to the level of annual family income, 20.7% of the respondents falls under the income bracket of Rs 1 lakh – 3 lakhs, 28.2% of the total respondents falls under the income group of less than 1 lakh whereas approximately 25% are between 3 – 6 lakhs and 26.1% are above 6 lakhs. 46.1% of the respondents are unmarried and 53.9% are married. 25.3% are self employed, 23.2% are service holders but the rest are students, retired and housewife.

Table 2: Demographic Profile

Parameter	Frequency	Percentage
Gender		
Male	302	55.5
Female	242	44.5
Age		
Below 30 yrs	85	15
30 – 40 yrs	112	21
40 – 50 yrs	111	20
50 – 60 yrs	119	22
Above 60 yrs	117	22
Education Qualification		
Secondary	23	4
Higher Secondary (+2)	113	21
Graduation	131	25
Post Graduation	277	51
Others	0	0
Annual Income		
Below 1 lakh	27	28.2
1 – 3 lakh	63	20.7
3 – 6 lakh	448	24.9
Above 6 lakhs	6	26.1
Marital Status		
Unmarried	196	46.1
Married	255	53.9
Others	93	
Profession		
Service	435	23.2
Self Employed	35	25.3
Student	12	12.4
Retired	59	19.5
Housewife	3	19.5

Source: Survey Data

5.1 Management's Perception of Customer's Expectation of Service Quality

The Management Perception Gap represents the difference between consumer expectations to management's perception of these expectations. This gap essentially states that service managers or executives don't always understand which features ideally suggest high quality to customers in advance but also which features a service must have to meet the needs of customers and what levels of performance those features must have to deliver high quality service. (Parasuraman et al.1988). This gap is based on inaccurate information from market research and demand analysis, inaccurate interpretation of customer expectations or that the structure of an organization prevents information to flow accurately without altering the information. Essentially this gap indicates a flaw in understanding your customers and what they want and need.

If the service providers are not aware about their customer's needs and wants, what they expect from the company, it automatically makes all the managerial decisions not effective and all offers will not be in line with that which our customer wanted to begin with and will lead to an unsatisfied customer.

5.1.1 Operational Design

The data collected from the survey of managers was subjected to data cleaning in order to identify missing value, sample characteristics and in meeting the assumptions of normality. The following table 5 represents the GAP Score as obtained for different dimensions of service quality. The score is computed by using the formulae (GAP = Management Perceived Mean – Customer Expected Mean.) If Perceived Mean = Expected Mean, GAP Score will be 0, which means that the managers and customers are thinking in the same line. But if the GAP > 0 or the GAP < 0, there is a difference in the thinking between the managers and the customers. The gap then needed to be addressed. The service elements can be arranged according to their priority and thus an optimized service blue - print can be designed that deliver customer commitment and satisfaction.

5.1.2 Research Hypothesis

H_0: There is no significant difference in the mean scores between the managerial level of customers expectation perception and the customer's actual level of expectation (GAP) on the various service quality dimensions.

Table 3: Average GAP score of each dimension

Dimension	Statement	Manager Perception Score	Customer Expectation Score	Gap Score	t -value	Sig.	Average for Dimension	Hypothesis
Assurance	1	3.65	3.97	-0.314	-2.77	.006*		Rejected
	2	4.33	4.04	0.289	3.002	.003*		Rejected
	3	4.14	4.05	0.087	0.88	0.4		Accepted
	4	4.41	3.96	0.452	4.984	.000*		Rejected
	5	4.29	4	0.295	3.008	.003*		Rejected
	TOTAL	**20.82**	**20.02**	**0.809**	**1.1681**	**0.276**	**0.1618**	**Accepted**

Dimension	Statement	Manager Perception Score	Customer Expectation Score	Gap Score	t -value	Sig.	Average for Dimension	Hypothesis
Personalized Financial Planning	6	3.71	4.48	-0.778	-9.51	.000*		Rejected
	7	3.6	4.5	-0.904	-10.73	.000*		Rejected
	8	3.44	4.52	-1.079	-12.48	.000*		Rejected
	9	3.42	4.54	-1.121	-12.91	.000*		Rejected
	TOTAL	**14.17**	**18.04**	**-3.882**	**-13.81**	**.000***	**-0.9705**	**Rejected**
Tangibles	10	3.72	4.08	-0.359	-3.448	.001*		Rejected
	11	3.81	4	-0.185	-1.759	.080*		Accepted
	12	3.62	3.94	-0.321	-2.877	.004*		Rejected
	TOTAL	**11.15**	**12.02**	**-0.506**	**-4.25**	**.013***	**-0.168**	**Rejected**
Technology	13	3.76	4.15	-0.392	-3.779	.000*		Rejected
	14	3.81	4.02	-0.206	-1.938	0.054		Accepted
	15	3.94	3.94	-0.005	-0.048	0.964		Accepted
	TOTAL	**11.51**	**12.11**	**-0.603**	**-2.457**	**0.069**	**-0.201**	**Accepted**
Competence	16	4.33	4.02	0.31	3.79	.020*		Rejected
	17	4.31	4.3	0.001	0.013	0.99		Accepted
	18	4.35	4.04	0.31	3.4	.001*		Rejected
	19	4.32	4	0.32	3.902	.000*		Rejected
	TOTAL	**17.31**	**16.36**	**0.941**	**3.3455**	**.0015***	**0.235**	**Rejected**
Corporate Image	20	3.65	3.99	-0.335	-3.185	.002*		Rejected
	21	3.49	4	-0.509	-4.749	.000*		Rejected
	22	3.76	4.04	-0.28	-2.705	.007*		Rejected
	23	3.77	3.94	-0.173	-1.683	0.09		Accepted
	TOTAL	**14.67**	**15.97**	**-1.297**	**-4.75**	**.003***	**-0.324**	**Rejected**

**significant at 5% level*
Source: Survey Data

From the above table the highest significant gap is for the dimension Personalized Financial Planning (-0.9705). The gap is negative which means the managers don't give focus on customization much. They are not aware about the changing preferences of customer's need. The perception mean (3.65) depicts that the manager's don't find the customized service delivery much important.

6. Conclusions

Individual Dimension wise Analysis

I . Assurance:

1. 'Trained and well-informed agents' – There is a significant gap between management perception of customer expectation and actual customer expectation in the statement 'Trained and well-informed

agents'. The perception mean is 3.65 and the expectation mean is 3.97. It reveals that the customers are more inclined towards trained and well informed agents than what the management perceives.

2. 'Agents always approach from customer's point of view' – There is a significant gap between management perception of customer expectation and actual customer expectation in the statement 'Agents always approach from customer's point of view'. The perception mean is 4.33 and the expectation mean is 4.04. It reveals that both the customers and the managers are focused towards agents' approach from customer's point of view. Marginally perception mean is higher than expectation mean. But the result is statistically significant.

3. 'Employees of the company inform you exactly when the services will be performed.' – The gap is not statistically significant which reveals that both the customers and management are thinking in the same line. And they have a positive preference towards the statement.

4. 'Agents being trustworthy while explaining policy's terms and conditions' – There is a significant gap between management perception of customer expectation and actual customer expectation in the above statement. The perception mean is 4.41 and the expectation mean is 3.96. It reveals that the managers are more inclined towards ethically strong sales people than customers expect.

5. 'Agent's conducting assessment of risk profile / situation for their customers.' – There is a significant gap between management perception of customer expectation and actual customer expectation in the statement 'Agent's conducting assessment of risk profile / situation for their customers.' The perception mean is 4.29 and the expectation mean is 4.00. It reveals that both the customers and the managers do prefer the assessment of risk profiles before selling their products. The gap probably exists as most of the customers are financially unaware about this assessment part and thus have limited knowledge to understand the need.

II . Personalized Financial Planning:

1. 'Insurance Company arranging for periodical meeting with its customers.' – There is a significant gap between management perception of customer expectation and actual customer expectation in the statement 'Insurance Company arranging for periodical meeting with its customers'. The perception mean is 3.71 and the expectation mean is 4.48. It reveals that the customers are highly inclined towards meeting their insurance service providers periodically. Getting in touch frequently with the service providers can decrease the level of cognitive dissonance within individuals and trigger loyalty.

2. 'Insurance Companies restructuring policies according to customers need.' – There is a significant gap between management perception of customer expectation and actual customer expectation in the statement 'Insurance Companies restructuring policies according to customers need". The perception mean is 3.60 and the expectation mean is 4.50. It reveals that the customers expect more customized service. Customization is the need of the hour. Sometimes it makes a person feel special. The management's perception about customization is not so

positive. They need to frame policies and procedures to address this gap and proceed accordingly.

3. 'Insurance Companies keeping customers updated on new products.' – The gap is highly significant. The perception mean is 3.44 and the expectation mean is 4.52. It shows that customers are more likely to stay updated of the new products and services that are introduced in the market. They expect that the new innovation in the form of new products and services can make their life more comfortable. Though nowadays with easy access to information it is much easier to stay updated but still the involvement of the company's agents in informing their customers about their new products and how it fits into their requirement drive more satisfaction. Management have to keep a eye on that and should follow up frequently with the customers about their awareness of the newly launched products and services.

4. 'Availability of flexible product solution.' – There is a significant gap between management perception of customer expectation and actual customer expectation in the above statement. The perception mean is 3.42 and the expectation mean is 4.54. Result reveals that customers expect more flexibility in their products and services. With the changing life styles of customers flexibility in all spheres becomes highly indispensible. The strategy should be such that the products and services are custom made according to the needs, likes and preferences of the customers and flexible enough so that it can match with their life styles.

III . Tangibles:

1. 'Staffs are always there to fulfill promises in timely manner.' – There is a significant gap between management perception of customer expectation and actual customer expectation in the statement 'Staffs are always there to fulfill promises in timely manner'. The perception mean is 3.72 and the expectation mean is 4.08. It reveals that the customers are highly inclined towards professionalism of the service providers. Professionalism and fulfilling promises over a period of time can generate loyal customers. It will lead to sustainability in the long run.

2. 'Adequate No. of branches.' – The gap between management perception of customer expectation and actual customer expectation in the statement 'Adequate No. of branches' is not significant. The perception mean is 3.81 and the expectation mean is 4.00. It reveals that the customers expect adequate number of branches at their reach. This again reflects the need of flexibility.

3. 'Accessible location of the branch' – The gap is statistically significant. The perception mean is 3.62 and the expectation mean is 3.92. It shows that customers are more likely to stay updated of the new products and services that are introduced in the market. They expect that the new innovation in the form of new products and services can make their life more comfortable. Though nowadays with easy access to information it is much easier to stay updated but still the involvement of the company's agents in informing their customers about their new products and how it fits into their requirement drive more satisfaction. Management have to keep a eye on that and should follow up frequently with the customers about their awareness of the newly launched products and services.

IV . Technology

1. 'Availability of mobile Apps for effective communication' – There is a significant gap between management perception of customer expectation and actual customer expectation in the statement 'Availability of mobile Apps for effective communication'. The perception mean is 3.76 and the expectation mean is 4.15. It reveals that the customers are highly inclined towards app based services. Managers must address this gap by introducing user-friendly app and making it technically effective.
2. 'Easy online transaction' – The gap between management perception of customer expectation and actual customer expectation in the statement 'Easy online transaction' is not significant. The perception mean is 3.81 and the expectation mean is 4.02. It reveals that the customers expect flexible and secured online transaction system and their expectation is in line with the managers. .This reflects the need of a secured flexible and robust online system.
3. 'Highly responsive online complaint handling mechanism' – The gap is statistically insignificant. The perception mean is 3.94 and the expectation mean is 3.94. It shows that customers and managers both are highly conscious about the responsiveness of service providers. Management have to keep a eye on the actual service provided and organize training occasionally to upgrade customer handling strategies.

V . Competence

1. 'Proactive information through e-mail / sms.' – There is a significant gap between management perception of customer expectation and actual customer expectation in the statement 'Proactive information through e-mail / sms'. The perception mean is 4.33 and the expectation mean is 4.02. It reveals that the managers are highly inclined towards proactiveness of their employees. The customers are also thinking in the same line but they are not so aware about the effectiveness of getting prior information about the products or services.
2. 'Staff dependable in handling customer's problems' – The gap between management perception of customer expectation and actual customer expectation in the statement 'Staff dependable in handling customer's problems' is not significant. The perception mean is 4.31 and the expectation mean is 4.30. It reveals that the customers expect dependability from their service providers.
3. 'Insurance company perform the service right in first.' – The gap is statistically insignificant. The perception mean is 3.94 and the expectation mean is 3.94. It shows that customers and managers both are highly conscious about the responsiveness of service providers. Management have to keep a eye on the actual service provided and organize training occasionally to upgrade customer handling strategies.
4. 'Employees of the company having knowledge and competence to solve the customer problems' – The gap is statistically significant. The perception mean is 4.32 and the expectation mean is 4.00. It shows that customers and managers both trust on knowledgeable and competent employees. Though the managers want their service providers fully knowledgeable and they

strongly perceive that competent employees can develop competitive advantage for sustainability in the long run. The managers have to be proactive and keep appropriate vigilance on the level of service delivery to make the customer satisfied.

VI . Corporate Image

1. 'Innovativeness in introducing new products' – There is a significant gap between management perception of customer expectation and actual customer expectation in the statement 'Innovativeness in introducing new products'. The perception mean is 3.65 and the expectation mean is 3.99. It reveals that the customers are highly inclined towards innovativeness of products and services. The managers have to identify the latent needs of their target segment and strategize to fulfill the same by innovating new products or services. They may have to start research & development (R&D) cell to identify and formulate the needs in an effective way and offer solutions in a much innovative manner to address the gap.

2. 'Financially stable company' – The gap is highly significant with the perception mean as 3.49 and the mean of expectation as 4.0. Financial stability generates reliability and trust within the mind of the customers. Financial stability ensures sustainability in the long run. This reflects the ability of the company to serve the customer over a period of time. Though managers have little to do with this attribute still they can promote awareness about the background of the company and try to make the customers proud of being a part of it. Proper positioning of the company in the mind of target segment is essential to reduce cognitive dissonance and address the gap.

3. 'Simple procedure for purchasing a policy' – The gap is statistically significant. The perception mean is 3.76 and the expectation mean is 4.04. The procedure of purchasing policies must be very simple and transparent. The number of levels should be reduced and the purchasing system if can be done through online could be more effective. Managers should be looking at simple, hassle free and flexible purchasing system for encouraging more buyers of their products.

4. 'Value for money' – The gap is statistically insignificant. The perception mean is 3.77 and the expectation mean is 3.94. There are two aspects to customer value - Desired value and Perceived value. Desired value refers to what customers desire in a product or service. Perceived value is the benefit that a customer believes he or she received from a product after it was purchased. The perceived value need to be enhanced if the managers want to pull their customers towards their products rather than push the products to the customers.

7. Recommendations

It is quite evident that if all insurance companies focus on the quality, their business can further be enhanced because in the present age of competition and clutter, customers judge an organization not only by the number of products offered by it but by the quality of that products and services. Also, there should be transparency and well documentation in the functioning of the insurance companies. Consistency in meeting the customer expectation is a must. Organization should provide suitable infrastructure for error-free services. Service personnel should be prompt in attending to customers and serving their requirements. Employees should be empowered by the management to do all that they can to assist a customer in trouble. They should empathize with customers who report problems and work quickly to resolve them. Employees working with commitment and customer orientation should be rewarded to encourage similar behaviour among all the employees.

8. Limitations & Future Implications of the Study

Research is an ongoing process. An individual research may be completed but it only shows direction to subsequent researches in the relevant areas. The present study is an attempt to appraise the service quality in Life Insurance industry confined to West Bengal. Only five Life Insurance companies are taken as the sample, who are mainly the market leaders.

The future study may be conducted on other group of companies chosen on some relevant parameters from the same industry but may be from different region. Even different but relevant Service Quality Model may be applied to understand their pros and cons on Life Insurance or any other service industry. Also, the relationship of service quality with customer satisfaction and customer loyalty can be estimated and explored.

The present study is conducted on Life Insurance Industry alone. There are ample opportunities for future researchers to analyze the gaps in other service sector using same constructs or different relevant constructs.

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Research Articles

A New Look at HR Analytics

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Abstract

Human Resource Analytics is a domain in the area of analytics which implies applying analytic process to the Human Resource Department in an organization with a view to improve employee performance and in the process earn a better yield in terms of Return on Investment. Human Resource Analytics does not merely deal with gathering data on employee efficiency but additionally aims to provide insight into each processes by gathering data and then using it to make relevant decisions about to improve these processes. This paper will throw light on how HR Analytics can address issues such as high attrition, employment branding, work-life balance, congenial reporting relationships.

In work settings and a host of other organizational issues. The objective is to create an understanding on this emerging area of human resource management and comprehend how HR Analytics can be an aid to sustainability.

Key words: HR Analytics, Attrition, Employment Branding, Sustainability.

1. Introduction

HR Analytics has appeared on the business landscape in the form of a game changer. People in the HR software domain have been talking about big data, and how decisions on human capital will alter based on access to workforce analytics (Gale, 2012); eQuest (2012) in its report mentioned that "Big Data holds tremendous business potential. And for Human Resources in particular, Big Data offers an historic opportunity: the opportunity to make the most rigorously evidence-based human capital decisions ever made. Big Data can help can help solidify HR's reputation as a strategic business partner that makes analytics-driven, evidence-based decisions...all of which equate to significant competitive advantage." Mondore et al. (2011) maintained, "The topic of HR analytics has been given a lot of press lately-and rightfully so. It affords HR leaders an opportunity to show the direct impact of their processes and initiatives on business outcomes." Levenson (2011) mentioned, "At the beginning of the decade, human resource analytics was not part of the language of business. Today at the end of decade, a Google search for the same term produces more than 1.5 million results. When the topic of HR analytics was raised at the Center for Effective Organizations annual sponsors in 2003, it was not part of the formal agenda and there was no established course or seminars on the topic in the HR consulting and training space." The situation has advanced today so much so that certification in HR analytics is available and there is an unanimous agreement that HR Analytics will influence the future of HR space.

In today's scenario, it goes without saying that people are an asset to the organization. They are important for the success of any company. There lies no doubt in the fact that any business which can attract the right talents, manage them effectively, and retain employees, are actually setting a path for itself to achieve success in the long run. Today, HR Departments are generating more data than ever before. However, the beauty of data is not revealed, unless they are turned into valuable insights, facilitating the decision making process. The ultimate goal is to make the organization stand in a better position, keeping sustainable growth in mind. Data, cannot speak for itself. Thus, Managers must have some key analytical skills to read the collected data and understand people better by knowing their capabilities, competencies, capacities and employee churns. The success of any business depends upon the skills, knowledge and abilities of the workforce. Therefore, it becomes very important for a Manager to identify the capabilities that the employees of the organization already possess, so that, he can recognize any gap that exist in the workforce and work upon it to mitigate it. However, capabilities do not always mean the formal knowledge and skills that the employees possess. It may also include the ability to develop and maintain relations. Similarly, Competency Analytics deals with talent acquisition and management by focusing on a small set of key competencies. Hiring employees, training them and then making them an integral part of the business costs a lot of money. Nowadays, Employee Churn Analytics is used to assess the employee turnover rates with an attempt to predict the future and reduce employee churns. This can be done by using certain tools like **Employee Satisfaction Index, Employee Engagement Level** and **Staff Advocacy Score**. Surveys and Exit Interviews are also important techniques. However, organizations also desire a certain level of employee churn. It is very important for an organization, at present, to know what perception exist in the minds of its current and past employees regarding the company culture and how it feels to work in that particular firm. This is based upon certain characteristics like, Organization Culture, Employee Benefits and Employee Value Proposition (Employment Branding). Thus, understanding the reasons behind why attritions are occurring and the extent to which these factors are responsible calls in for the use of Big Data Analytics in order to create a relation between them, so that a sustainable growth objective can be achieved.

This article aims to find out how analytics can be used to measure attrition to achieve a good name in the process of Employment Branding, keeping sustainability in mind.

Implication of HR Analytics

Mondore et al. (2011) has defined HR Analytics as "demonstrating the direct impact of people data on important business outcomes". Lesser (2010) observes "What do we need to know about the workforce to run the company more effectively, and how can we turn that knowledge into action?" is the essence of HR Analytics. As such, HR Analytics is also synonymously known as Human Capital Management Analytics, Talent Management Analytics or Talent Analytics or Workforce Analytics. According to Human Capital Management (HCM) Analytics "provides organizations with insights for effectively managing employees and making work-force-related decisions so that workforce strategy is aligned with business goals. HCM Analytics are used to model and predict capabilities so an organization gets an optimal return on investment on its human capital, as well as quickly answer workforce-related questions, monitor potential risks, and identify trends". Foregoing can be collated to interpret HR Analytics as an approach that dovetails both internal and external data to aid in making evidence-based decisions pertaining to life cycle of talent activity that commences with procurement of manpower and transcends across their development, retention and cessation of employment with the purpose of ushering in value to the organization, in the process, involving statistical models.

Lineage and Utility of HR Analytics

According to Gardner et al, (2011), "The widespread adoption of enterprise resource planning and HR information systems has made data on business operations, performance, and personnel more accessible and standardized. Futhermore, the rise of HR information systems has generated a community of software and technology intermediaries that can help HR and business executives use data to find links between talent management and labor productivity. Finally, the consolidation and outsourcing of transactional HR work has compelled many leaders of the function to take a first step toward quantifying and reporting HR costs and performance." Bass(2011) in his article 'Raging Debates in HR Analytics' maintained that progress in the software used to automate transactional aspects of the management and development of people have increased the horizon of opportunities. Data on HR metrics have not only become more freely available, they have become accessible in forms and variety that make it more feasible to correlate and integrate disparate sources together. Therefore as the arenas of HR metrics and software have coalesced, new platforms for creating business intelligence on the people front of business are emerging. Ringo (2012) noted, "In my experience, organizations that use workforce analytics have the most engaged workforces and they thrive in tough conditions. Most importantly, they do fewer headcount reductions because they have lean and efficient workforces to begin with." Davenport (2010) concluded that at Best Buy, the value of a 0.1 percent increase in employee engagement at a particular store is $ 100,000. Gale (2012) reported that at Xerox Corp, workforce creativity and not experience was the best indicator of a successful customer service representative. The organization could minimize attrition at its call centers by 20 percent in 6 months.

HR Analytics cuts across and finds use in all sub-sets of HR ranging from HR Planning to Employee Retention.

2. Literature Review

We are seeing a sharp change in how organizations are valued and what is considered to be valuable for an organization. We are moving form a materialistic economy (properties and equipments) to a more knowledge-based economy, where people are being given maximum importance by the organizations. Thus, Klaus Schwab, the founder of the World Economic Forum, rightly said that the world is moving from "**capitalism to talentism**". Today, maximum investments should be made in human capital to confirm the growth and success of both the society as well as, organizations. Like earlier days, organizations can no longer afford to make basic changes in their ways of managing their workforce, without taking into consideration what impacts such changes can bring to them. Even if they are planning a much needed change, such decisions must be justified logically, with proper analytical depth. The game has changed and now, data speaks more than any other heuristic measure.

A recent study by the 'Institute for Corporate Productivity' (2012) on the practices and the span of HR, suggests that most organizations are still unprepared to handle the ocean of data. Analytics is widely in use in the fields of Finance, Supply Chain and Marketing due to the availability of dependable metrics and predictive data (Hoffman, Lesser and Ringo, 2012b). The field of HR also needs analytical point of reference like areas of other business functions, according to a report of IBM (2009). Examples of HR analytics include identifying potential candidates most likely to succeed in a role, the probability of termination and attributes of high performing employees (Bassi, 2011). According to a model of social media analytics for behavior informatics, HR and customers, by Chaundrey, Subraminiam, Sinha and Bhattacharya (2012), suggestion is obtained that HR analytics can be used in various HR value chain elements like, recruitment, selection, performance, development and transitioning. Though there are not many scientific studies held in the field of HR analytics, a lot of studies has been done to related fields like HR metrics(Stone,2013) and eHRM (Strohmeier,2009). The difference between the fields HR metrics and HR analytics is that HR metrics is used to measure data such as turnover rates and sick days, whereas HR analytics can gauge employee engagement and whether workers have the skills to achieve organizational goals or not. HR metrics focuses on the past, and HR analytics should focus on the future (Smeyers, 2011). The data obtained from the historical records stating the employee turnover rates and sick days show the hindrance towards achieving the organizational goal whereas HR analytics is used to enlighten the solutions to the problems. An insight obtained from 'Henley Centre for Excellence Big Data' research paper shows that HR data analytics initiatives are getting traction and appear to be adding value.

3. Methodology

A combination of Primary and Secondary data was used in this study paper. Secondary Data was extracted through journals, publications through net search. Primary Data was gathered through Survey undertaken through a Questionnaire which is attached in the Appendix Section of the study-paper. The Questionnaire was distributed amongst middle and senior level managers working in select Private and Public Sector companies. The sampling strategy followed was Convenience Sampling. Feedback was collected mostly online though in some cases telephonic interview was conducted. The number of respondents aggregated 20.

Study of HR Analytics In Private Sector Companies

Today, almost every private concern is aware that they can achieve their set goals more effectively through efficient use of data. With the growth of modern technology, one can automate much of the work of putting the right person in the right place, bringing both structured and unstructured data to know more about the competencies about the available workforce and also use the information available in the social networking sites to find out who their potential recruits can be. All these have provided the HR Managers with far better insights, thereby, helping them to match people better to their requirements, streamlining HR processes, saving time and reducing costs. Big giants like, Microsoft, Google, Ideate, and so on, are using data science vividly to sort out their HR issues.

We have taken eight private concerns which have further strengthened our views by saying that they have been using analytics for quite a while to analyze and interpret data in a far better way and thereby, take much better decisions. However, it is not just the use of appropriate statistical measures that help in the go. It is also how well reports are prepared, so that, they can be read appropriately by any layman.

Somehow Analytics in HR is still a blooming field with great future prospects.

Study of HR Analytics In Public Sector Companies

When it comes to workforce analytics, professionals are much more eager to know about what will happen in the future, than knowing about what had happened before. They should know what is going to happen and what they should do in order to face it. However, compared to the private sectors, only a small portion of the public sector organizations are deriving insights about how to use data significantly for the better management of workforce. Though the government sector is taking steps to use predictive analytics to make the future of HR in the public sector look better, it is still lagging significantly in the adoption of data analytics. Though it is quite evident that using analytics can improve the efficiency of organizations, only 31% of the leaders in the public sector believe that data can really improve their level of efficiency (Jim Gill, Vice President, Government, at Cornerstone).

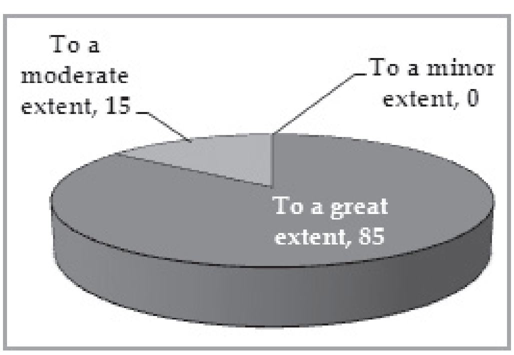
This slow uptake of data science in the public sector is mostly due to the fact that using big data requires a shift in the processes used earlier, along with a shift in culture. This appears to be hard for the public sector especially because they are hardly ready to come out form their long established norms. Implementing analytics require a strong visionary leader, with the right access to resources. Somehow, a change agent is required to a large extent, especially in the public sector, so that analytics can be used efficiently in the government sectors too.

4. Results

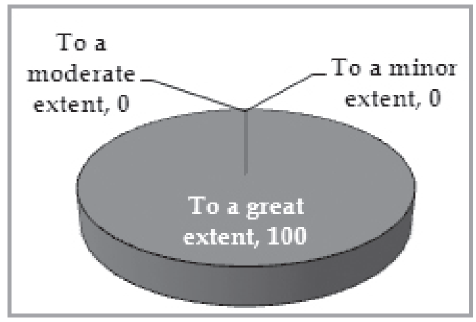
The following are the results obtained from our survey.

Summary of primary data obtained from 20 companies:

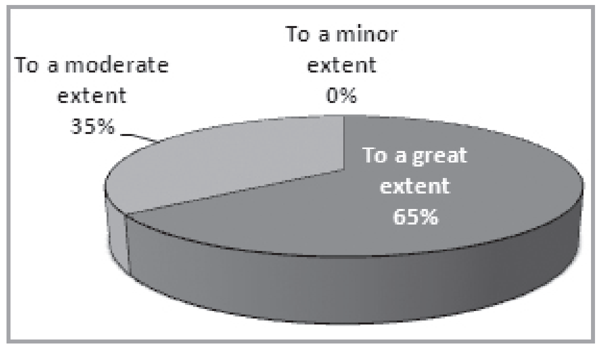
I. Parameter: Identification of proper data



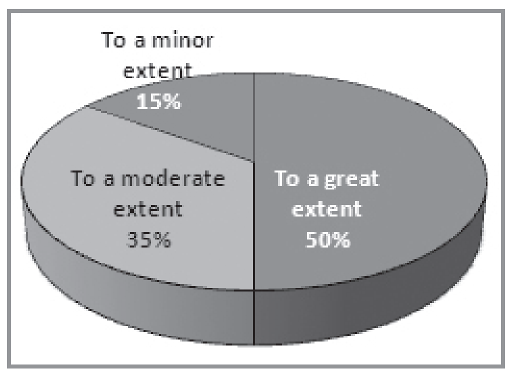
II. Parameter: Access and use of data:



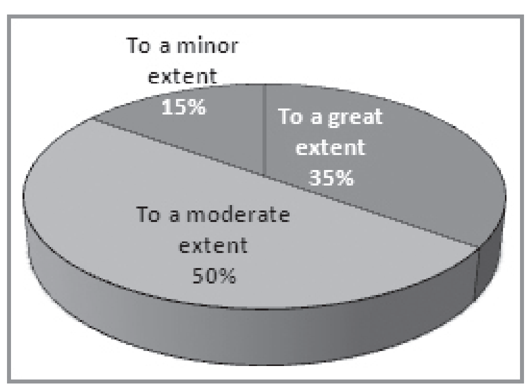
III. Parameter : capable of performing root cause analysis



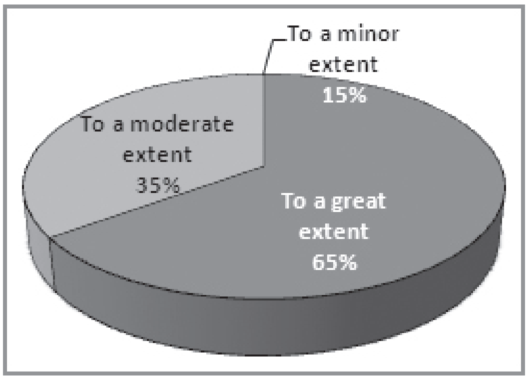
IV. Parameter : understandability of statistical results



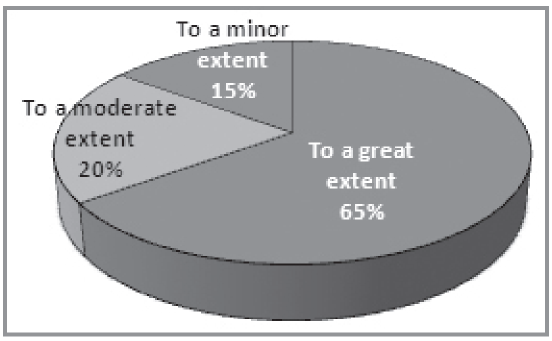
V. Parameter: Capability of effectively presenting analysis to cross-disciplinary audience.



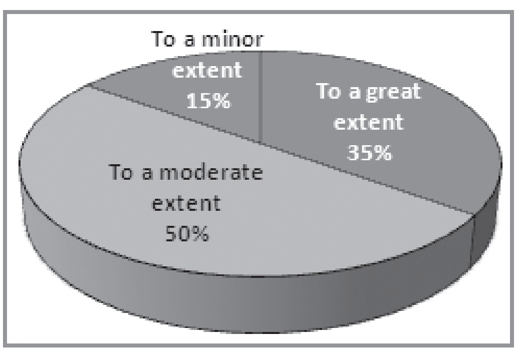
VI. Parameter : Frequency of use of data



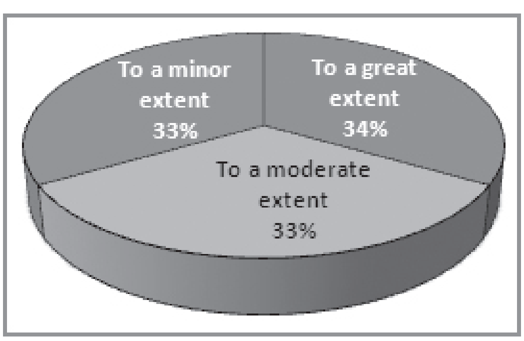
VII. Parameter : use of HR Analytics to measure routine HR execution



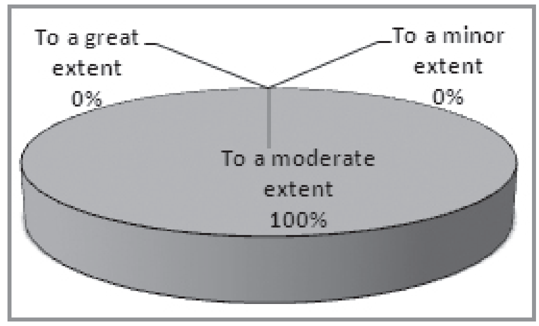
VIII. Parameter : Improvement of HR Department operations with the help of HR Analytics.



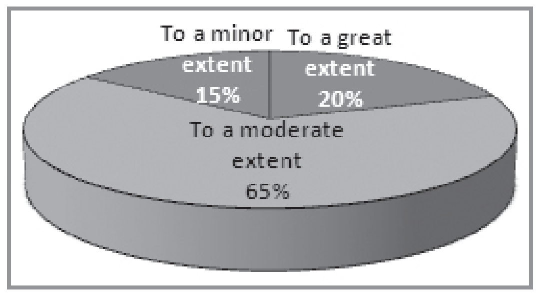
IX. Parameter : Company's support to organizational changes



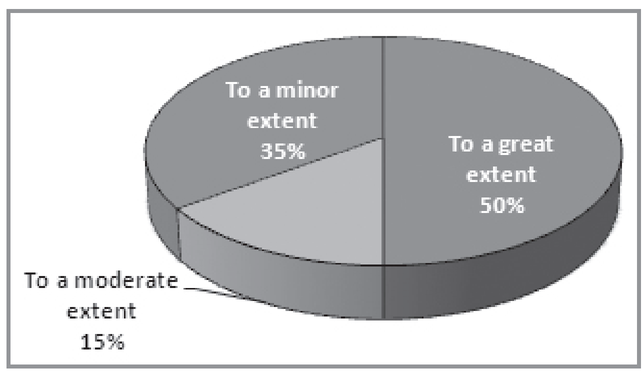
X. Parameter : HR Analytics help in the cost of measurement of HR operations



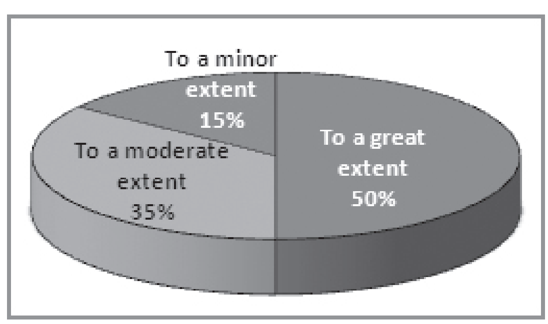
XI. Parameter : HR Analytics help make recommendations and decisions that reflect company's competitive situation



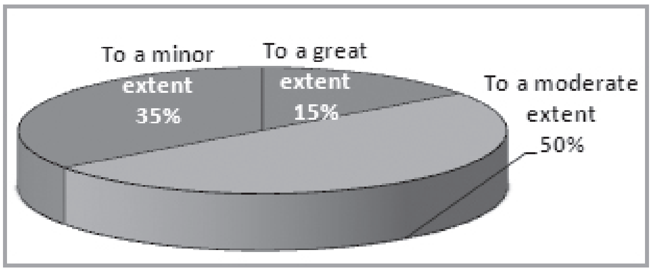
XII. Parameter : Evaluation the effectiveness of HR programmes and practices in your organization.



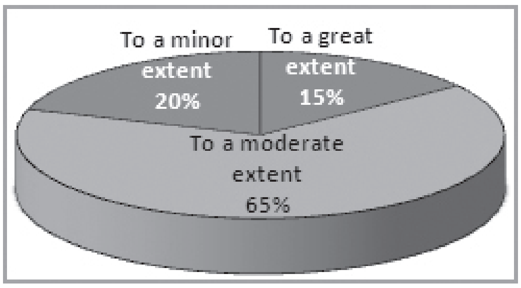
XIII. Parameter : Contribution to decisions about business strategy and human capital management with the help of HR Analytics



XIV. Parameter : Measurement of the effects of HR programmes in terms of motivation, attitudes, behaviors etc.



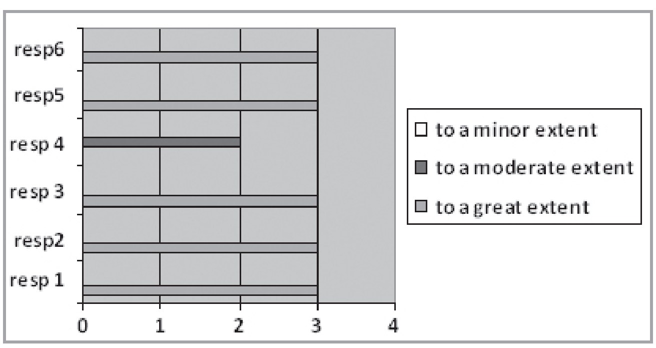
XV. Parameter : Pinpointing HR programmes that should be discontinued with the help of HR Analytics



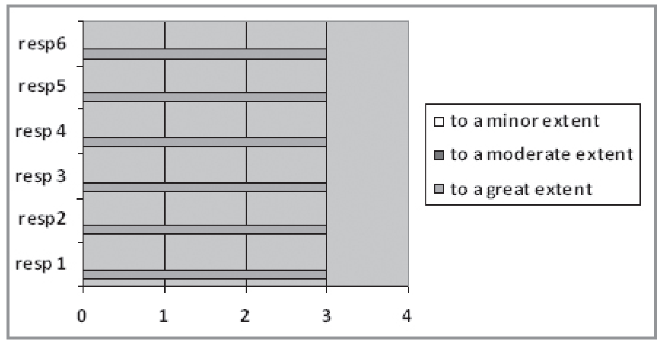
Individual Interpretation of responses from organizations (three private and three public sector companies)

The following results

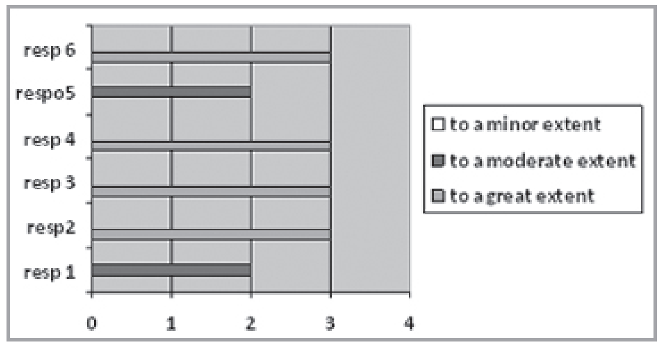
Q1. Is HR department of our organization capable of identifying proper data for analysis?



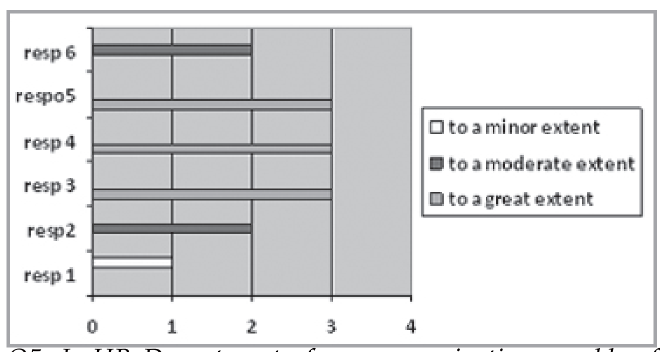
Q2. Is HR Department of your organization capable of accessing data and influencing others for obtaining the data for them?



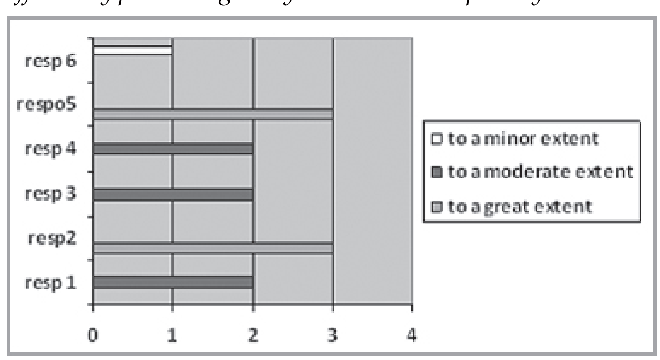
Q3. Is HR Department of your organisation capable of performing root cause analysis (identify causal paths)?



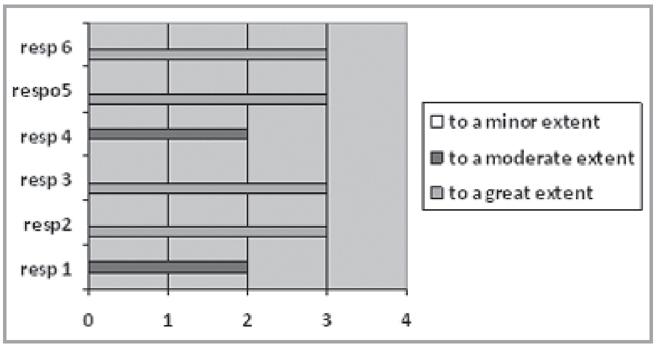
Q4. Is HR Department of your organization capable of writing reports and making statistical results understandable?



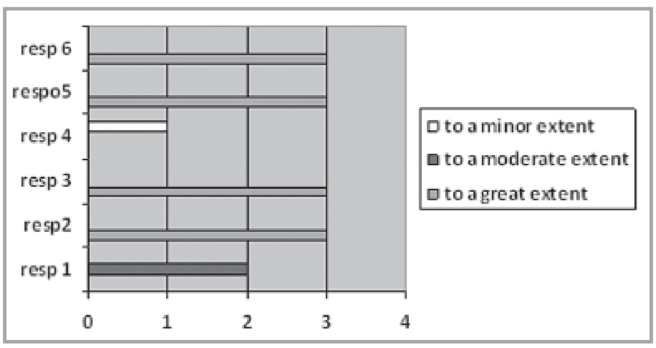
Q5. Is HR Department of your organization capable of effectively presenting analysis to cross-disciplinary audience?



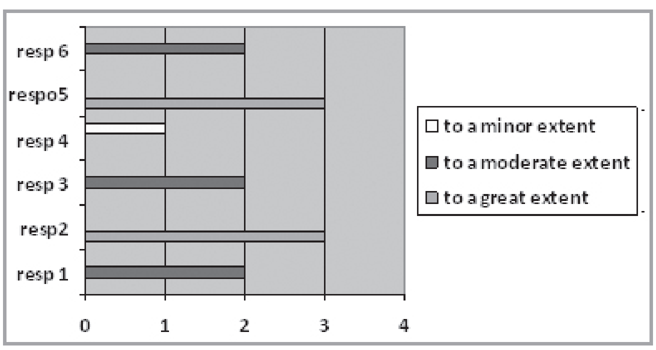
Q6. Is data for analysis frequently used in your organization?



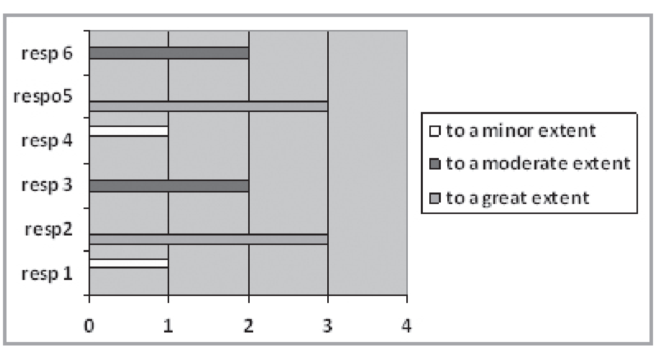
Q7. Is HR Analytics used to measure routine HR process execution(payroll, benefits, communication,etc.



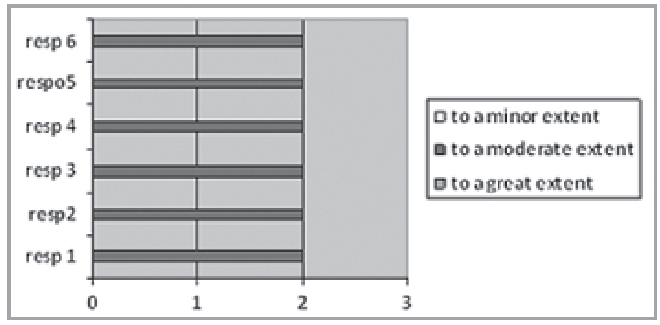
Q8. Is HR Analytics used to assess and improve the HR Department operations in your organization?



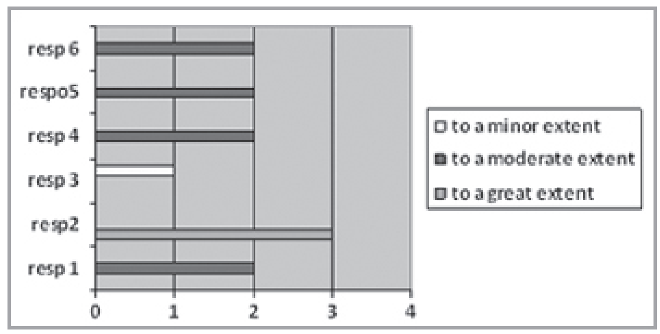
Q9. Does HR Analytics in your company support organizational change efforts?



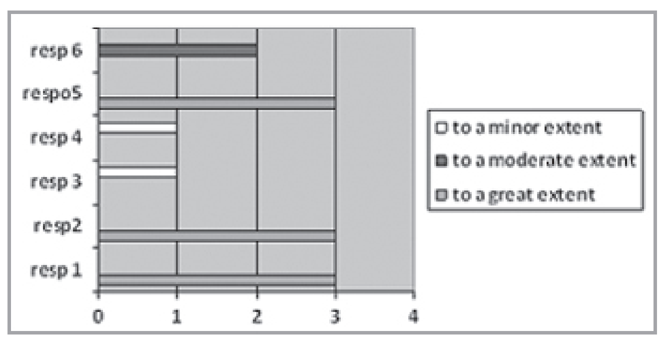
Q10. Does HR Analytics in your organization help measure the cost of providing HR services?



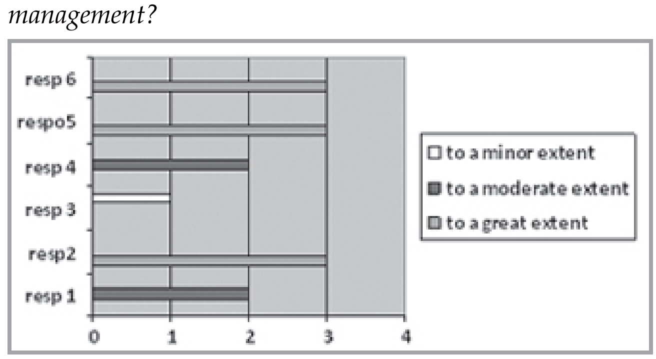
Q11. Does HR Analytics in your organization help make recommendations and decisions that reflect company's competitive situation?



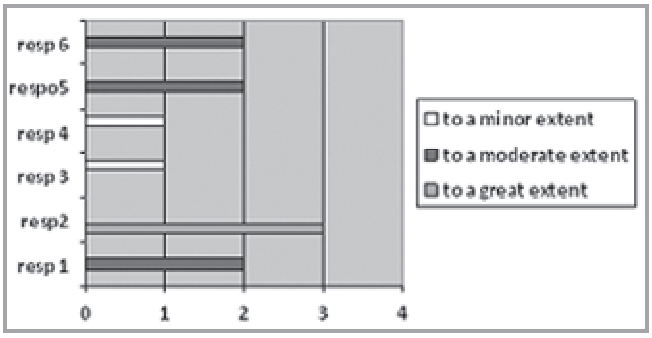
Q12. Does HR Analytics help evaluate the effectiveness of HR programmes and practices in your organization?



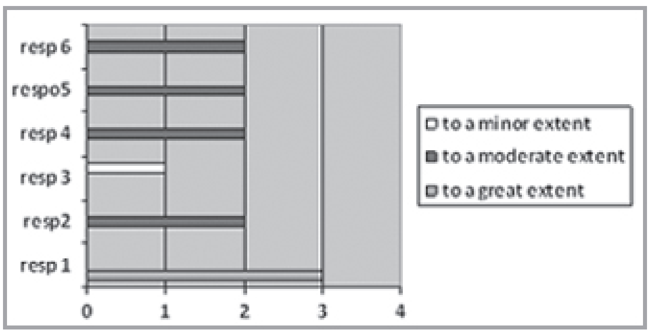
Q13. Does HR Analytics in your organisation contribute to decisions about business strategy and human capital management?



Q14. Does HR Analytics in your organization help measure the effects of HR programmes in terms of motivation, attitudes, behaviors etc.?



Q15. Does HR Analytics in your organization help pinpoint HR programmes that should be discontinued?



Interpretation and Discussion

In the analysis made above, the degree to which companies are using data analytics to measure their workforce is found. It is seen that private sector companies use data analytics in their HR Programs more than the public sectors. This shows that the private sector has more readily accepted the change that has taken place in the last few years and has incorporated big data more efficiently for better performance. However, the government sector is still lagging behind in using big data because they are not ready yet to incorporate this huge change in processes and organization culture. However, since a few public sector organizations are doing it, it is expected that very soon, even the government sectors will be using data analytics for better performance in the near future.

5. Limitations of The Study and Scope for Further Research

The sample size being small, statistical tools, SPSS was not resorted to. Future research can be done in this direction with a pan India coverage.

6. Conclusion

The results of the study suggest that the landscape for using data and information has shifted dramatically, and that leading companies are building strategic capabilities and competitive advantage through advanced HR analytics practices. As expected, the companies surveyed are performing a broad range of HR research and analytics practices that extend beyond simple metrics and scorecards. However, the profession still has a long way to go to play a more influential role in HR strategy development and decision making. To put HR data, measures, and analytics to work more effectively requires a more "user-focused" perspective. HR needs to pay more attention to the product features that successfully push the analytics messages forward and to the pull factors that cause pivotal users to demand, understand and use those analytics. This article, therefore, has provided a simple roadmap to assist HR professionals in demonstrating their

value and driving business performance. HR is certainly on the right path with trying to integrate talent management systems and using analytics. However, these goals do not have to be mutually exclusive, and it is important to clearly define what analytics are before merely running more reports and calling it analytics. For business leaders of any size organizations,it is within reach to show the business impact of HR, use cause-effect analytics to create a business-focused HR strategy, while also making HR more efficient and cost-effective.

Appendix

The following parameters were stressed upon in order to understand till what extent firms are putting stress upon using analytics in order to solve their HR issues

- Whether the HR Department of the organization is being able to identify proper data for analysis; (40%)

- Whether they are being able to conduct a root-cause analysis for the data collected; (28%)
- Whether they are being able to prepare understandable statistical reports; (12%)
- Whether they are being able to represent those reports to cross-disciplinary audience; (20%)
- Are HR Analytics processes being used to measure routine HR processes, like payrolls, benefits, communication, etc. (30%)
- Whether Analytics is being used to improve the HR operations and effectiveness of HR policies of the company; (25%)
- Whether Analytics is helping to measure the cost of providing HR services (15%) and
- Whether Analytics is helping the organization to pinpoint HR programs that should be discontinued. (30%)

The results were quite impressive.

Calculation for the bar graph:

Sl. No.	Parameters	Total number of respondents	To a great extent	To a moderate extent	To a minor extent	%	%	%
			(a)	(b)	(c)	(a)	(b)	(c)
1	Identification of proper data.	20	17	3	0	85	15	0
2	Access and use of data.	20	20	0	0	100	0	0
3	Capable of performing root cause analysis.	20	13	7	0	65	35	0
4	Understandability of statistical results.	20	10	7	3	50	35	15
5	Capability of effectively presenting analysis to cross-disciplinary audience.	20	7	10	3	35	50	15
6	Frequency of use of data.	20	13	7	0	65	35	0
7	Measure routine HR operations	20	14	3	3	70	15	15
8	Improvement of HR Department operations with the help of HR Analytics.	20	7	10	3	35	50	15
9	Company's support to organizational changes.	20	7	6	7	35	30	35
10	HR Analytics help in the cost of measurement of HR operations.	20	0	20	0	0	100	0
1 1	HR Analytics help make recommendations and decisions that reflect company's competitive situation.	20	3	13	4	15	65	20
12	Evaluation the effectiveness of HR programmes and practices in your organization.	20	3	13	4	15	65	20

Sl. No.	Parameters	Total number of respondents	To a great extent	To a moderate extent	To a minor extent	%	%	%
			(a)	(b)	(c)	(a)	(b)	(c)
13	Contribution to decisions about business strategy and human capital management with the help of HR Analytics.	20	10	7	3	50	35	15
14	Measurement of the effects of HR programmes in terms of motivation, attitudes, behaviors etc.	20	3	10	7	15	50	35
15	Pinpointing HR programmes that should be discontinued with the help of HR Analytics.	20	3	13	4	15	65	20

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Perspectives

Biomass Gasification – The Green Energy for Industrial Heat & Power

Jayabrata Mukherjee

GP Green Energy Systems Pvt. Ltd.

Introduction

The level of per capita energy consumption is one of the indicators of economic growth. On the other hand, nature took millions of years to create the fossil fuels such as coal, oil and gas that human beings consume in a single day. As a result, the stock of such fossil fuels is limited and with the increasing rates of consumption, it would last only a few decades.

Biomass – a potential source of energy

Biological mass, often referred to as Biomass, is a potential source of energy. Availability of biomass in our country in the form of forest-waste and agro-waste viz. rice husk, bagasse, coconut shells, groundnut shell, stem, straw etc. is estimated at more than 700 million tons per annum and as per claim of the government, it can generate about 17,000 MW electrical power or equivalent heat energy for various decentralized applications. Moreover, such energy is perpetual as available after every crop and reduces carbon foot-print.

GP Green Energy Systems Pvt. Ltd. - An example

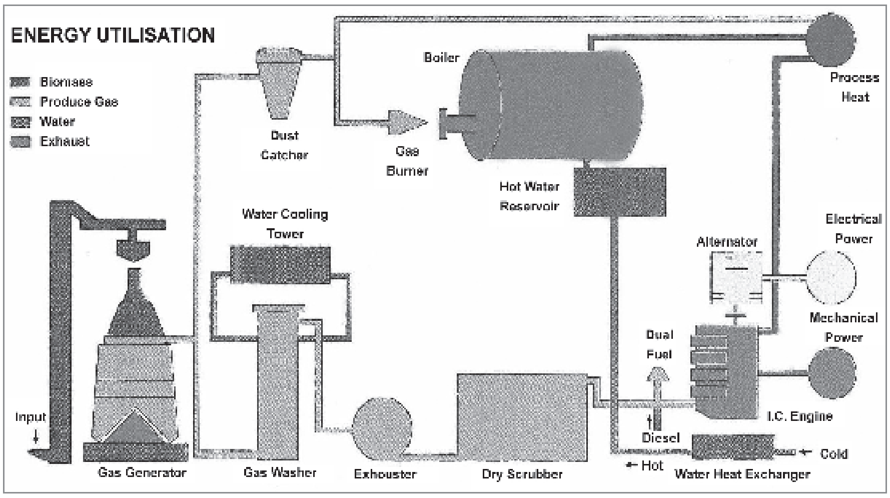
GP Energy is first in India to develop industrial sized biomass gasification plant for generation of electrical power as well as thermal energy from agro/forest waste.

In this system, biomass – the solid carbonaceous material is converted to a gaseous fuel in a reactor by a series of thermo-chemical process in presence of controlled air and water. Gas thus produced, popularly known as Producer Gas, contains CO (24-26 %), H_2 (10-12 %), CH_4 (1.5-2 %), CO_2 (8-10 %), O_2 (<1 %) and N_2 (the rest), having GCV in the order of 1,200 – 1,400 Kcal/Nm^3. However, before use of this gas, it is important to clean and cool the gas thoroughly, since the gas contains sticky tar, particulates and other impurities. GP Energy has developed the technique to purify the gas elaborately in stages to ensure that the tar and particulate content in the gas remains below 10 mg/Nm^3.

GP Biomass Gasification Plant – the producer of green energy

Energy Utilization

GP Biomass Gasification Plant is highly suitable as a decentralized plant for generation of Combined Heat & Power (CHP) in the industries. Such system can also be efficiently used for rural electrification.



Electrical Power

For generation of electrical power with producer gas, two types of engines can be used:

I. Dual Fuel Engine: A dual fuel engine is basically a diesel engine fitted with a conversion kit to run the engine with diesel and any suitable gas having certain calorific value including producer gas. This works on the diesel cycle. In the process, consumption of diesel can be reduced to the extent of 70% - 75%. Existing engine may also be retrofitted for dual-fuel operation.

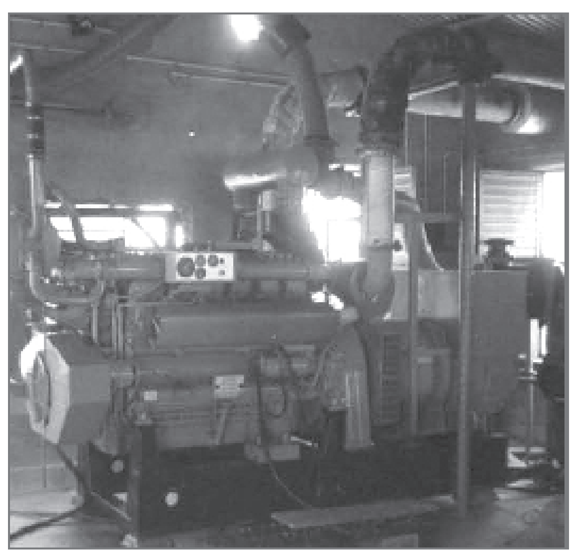
II. Spark Ignition Engine: In this case, the producer gas is the sole fuel in the Spark Ignition (SI) engine. A gas carburetor or mixer is used to prepare the air-gas mixture. The mixture is sucked into the engine during the suction stroke, compressed and then ignited by a spark from a spark plug in the cylinder head.

Thermal Energy

Since producer gas is combustible in nature, the same can be fired with the help of a suitably designed burner. Temperature up to 1000^0C can be achieved by burning the above gas. This is how boiler, furnace, oven etc. can be gas - fired to replace oil, coal or any other costly fuel. In this case, there will be no ash/fly ash or particulate matter in the exhaust gas.

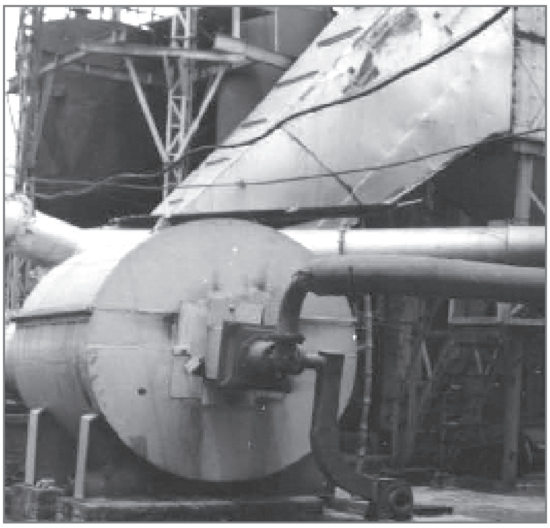
Installations

GP Energy has already successfully designed, manufactured and commissioned more than hundred systems starting from 10 kW up to megawatt size in various industries in food, paper, textile, ceramic, metal industries, etc. The systems have also been exported to Pan-Asian and South American countries. Very interestingly, one GP System is installed to run a Rice Mill as a "Zero Energy Mill" where the entire required energy for electrical power, firing of boiler and air heating for the mechanical dryer is generated from its own-produced rice husk, which is a waste material out

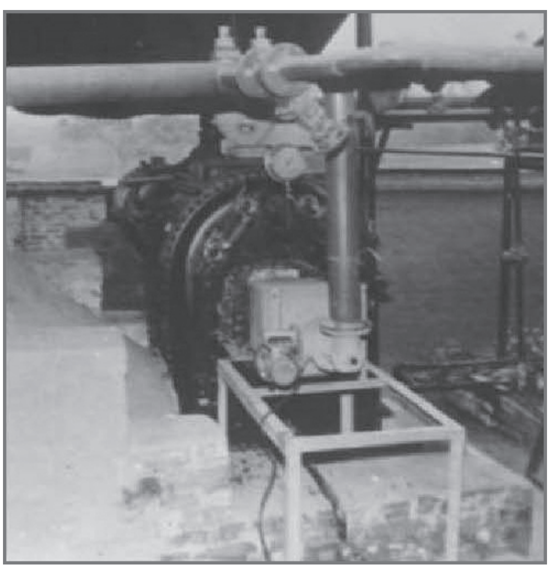


Power generation by Gas

of the milling of paddy. In this case, the stack from the chimney at 125 – 150^{0}C and exhaust from the engine at 500 – 550^{0}C is also utilized. The waste i.e. rice husk has been used to generate the entire requirement of energy for the plant.



Hot air generation for Mechanical dryer by Producer Gas



Boiler firing by Producer Gas

Government Support

India can very well boast of being the only country in the world to have an exclusive Ministry for New & Renewable Energy, where GP Energy is an approved manufacturer. Capital subsidy is provided by the said ministry to the entrepreneurs, who come forward to adopt the inexpensive, environment – friendly system. Moreover, 80% depreciation of the same project is allowed in the first year itself by the Income Tax Authorities. In addition, tax holidays and preferential tariff are provided to the Independent Power Producers (IPPs).

Environmental Impact

We all know that present society faces potentially rapid changes, because of human activities, that alter the atmospheric environment and change the earth's radiation balance. Some is absorbed and re-emitted in all directions by greenhouse gas molecules. The effect of this is to warm the earth's surface and the lower atmosphere. The gases are CO_2, CH_4, NO, HFC, PFC etc. Biomass burning necessarily produces CO_2, the principal greenhouse gas responsible for global warming, but as the same gas is used by the living plants, the net emission is considered to be zero and biomass-based energy is regarded as "Carbon-neutral".

Limitations

The heating value of biomass is about 40-50% lower than that of coal due to presence of high oxygen and moisture content in it. Lower bulk density of biomass also poses problem in transportation and handling of the same. Further, the supply of biomass is totally dependent on the local unorganized sector, which causes frequent disruption in supply and uncontrolled price.

Conclusion

The continuous rise in of the prices of petroleum products and coal has forced the industries to look for cheap fuels. Government may play a very useful role in this regard by encouraging the NGOs, self-help groups, local rural youth to join the trade. Though biomass gasification is an age-old process, the present-day necessity has forced the technologists to innovate various applications for the industrial processes involving heat and power.

The future belongs to this technology and those who use it.

Total Quality Management and its Applications for Business Growth

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Introduction

Successful companies understand the powerful impact customer-defined quality can have on business. For this reason, many competitive firms continually increase their quality standards. It means meeting and exceeding customer expectations by involving everyone in the organization through an integrated effort. Total quality management (TQM) is an integrated organizational effort designed to improve quality at every level.

It is necessary to understand the philosophy of TQM, its impact on organizations, and its impact on everybody's life. TQM is about meeting quality expectations as defined by the customer; this is called customer-defined quality. However, defining quality is not as easy as it may seem, because different people have different ideas of what constitutes high quality.

In the early twentieth century, quality management meant inspecting products to ensure that they met specifications. In the 1940s, during World War II, quality became more statistical in nature. Statistical sampling techniques were used to evaluate quality, and quality control charts were used to monitor the production process. In the 1960s, with the help of so-called "quality gurus," the concept took on a broader meaning. Quality began to be viewed as something that encompassed the entire organization, not only the production process. Since all functions were responsible for product quality and all shared the costs of poor quality, quality was seen as a concept that affected the entire organization. The meaning of quality for businesses changed dramatically in the late 1970s. Before then, quality was still viewed as something that needed to be inspected and corrected. However, in the 1970s and 1980s, many U.S. industries lost market share to foreign competition. In the auto industry, manufacturers such as Toyota and Honda became major players. In the consumer goods market, companies such as Toshiba and Sony led the way. These foreign competitors were producing lower-priced products with considerably higher quality.

Here, we look at the specific concepts that make up the philosophy of TQM.

Customer Focus

The first, and overriding, feature of TQM is the company's focus on its customers. Quality is defined as meeting or exceeding customer expectations. The goal is to first identify and then meet customer needs. TQM recognizes that a perfectly produced product has little value if it is not what the customer wants. Therefore, we can say that quality is *customer driven.*

Continuous Improvement

Another concept of the TQM philosophy is the focus on continuous improvement. Traditional systems operated on the assumption that once a company achieved a certain level of quality, it was successful and needed no further improvements. The Japanese, on the other hand, believes that the best and lasting changes come from gradual improvements. Continuous improvement, called ***kaizen*** by the Japanese, requires that the company continually strive to be better through learning and problem solving, using: the Plan –Do– Check – Act (PDCA) cycle.

Employee Empowerment

Part of the TQM philosophy is to empower all employees to seek out quality problems and correct them. The new concept of quality, TQM, provides incentives for employees to identify quality problems. Workers are empowered to make decisions relative to quality in the production process. They are considered a vital element of the effort to achieve high quality. Their contributions are highly valued, and their suggestions are implemented. In order to perform this function, employees are given continual and extensive training in quality - measurement tools.

Team Approach

TQM stresses that quality is an organizational effort. To facilitate the solving of quality problems, it places great emphasis on teamwork. Teams vary in their degree of structure and formality, and different types of teams solve different types of problems. One of the most common type of teams is the **quality circle,** a team of volunteer production employees and their supervisors whose purpose is to solve quality problems. The circle is usually composed of eight to ten members, and decisions are made through group consensus.

Quality Journey in India

Indian companies are also participating in the quality race, although slowly. They are facing a challenge from the multinational companies since the Government of India implemented the policies of liberalization, privatization and globalization. In the light of this, the Indian companies are in dire need of new ideas, approaches and techniques for attaining a competitive edge.

Industry associations like the Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI), Indian Statistical Institute (ISI), Nasscom, and specialized institutions like National Productivity Council (NPC) have a part of their organizations devoted to helping the industry in the formulation and implementation of quality management programmes, education and training programmes and provide consultancy services.

The Bureau of Indian Standards (BIS), has also established quality standards in accordance with international system standards, with main task of product standardizations. Today we witness a world that has changed dramatically since the nineties. Globalization is here to stay.

TQM in Indian Companies through Deming Prize

India's interest about TQM came about by years of selfless contribution of one Japanese Professor Yoshikazu Tsuda, invited by confederation of Indian Industry (CII) to introduce TQM to Indian manufacturing industry. He was the guide assigned by Japanese union of scientist and engineers that is responsible for the promotion of TQM in Japan & the world over.

The resounding success of several Indian manufacturing and service firms in recent times has invariably been linked to excellent practices to quality management. If you consider the auto-component manufactures in India, many of them won the Deming Award for quality, the largest outside Japan.

The Japanese Union of Scientists and Engineers (JUSE) started the Deming prize in 1951. Initially, this prize was open only to the Japanese industry, but in 1985 it was thrown open to the rest of the world. From 1998 onwards, Indian companies started figuring in the Deming prize list, with Sundaram Clayton's brakes division claiming the honour first. Deming Grand Prize is the highest honour in quality awarded to a company for excellence in Total Quality Management. This prize given to companies for practicing TQM in areas of production, customer service, safety, human resource, corporate social responsibility, and environment.

- **1998**: Sundram-Clayton Limited, Brakes Division
- **2001**: Sundaram Brake Lining Limited
- **2002:** TVS Motor Company Limited
- **2003**: Brakes India Limited, Foundry Division Mahindra and Mahindra Limited, Farm
  Equipment Sector Rane Brake Linings Limited & Sona Koyo Steering System Limited
- **2004**: SRF Limited, Industrial Synthetics Business
  Business Lucas-TVS
  Indo-Gulf Fertilizers Limited
- **2005:** Krishna Maruti Limited, Seat Division
  Rane Engine Valves Limited
  Rane TRW Steering System Limited, Steering Gear Division
- **2007:** Aashi India Glass Limited, Auto Glass Division
  Rane (Madras) Limited
- **2008**: Tata Steel Limited
- **2010:** National Engineering Industries Limited (India)
- **2011**: Sanden Vikas (India) Limited
  The Deming Grand Prize
- **2012**: Tata Steel Limited (India)
  Rane (Madras) Limited (India)
  Lucas-TVS Limited (India)

TQM Journey of TATA Steel

Tata steel has been practicing TQM since the late 1980s which was when the Tata steel initiated several quality activities – quality circle, ISO certification, quality improvements using Juran methods, etc. The steel giant won the Deming application prize, 2008 and Deming grand prize (DGP), 2012 for achieving distinctive performance improvement through the application of total quality management. In 2000, after winning the JRD QV Award, by going through the Deming process, Tata Steel discovered the deeper meaning of TQM for achieving the next quantum jump in performance and improvement. In 2005, Tata Steel conducted a TQM diagnosis along with the JUSE team for getting the status of TQM implementation in the organization.

After winning the Prize

The defect rate in the manufacturing process at Tata Steel decreased substantially and customer returns came down as a result of these quality control initiatives. Tata Steel noticed many tangible and intangible benefits in their journey of TQM. There were all-round improvement in customer satisfaction, new product development, supplier satisfaction, employees and their family satisfaction, breakthrough achievement in business results. Tata Steel believes that Deming Prize is not only a ticket for TQM journey towards organizational excellence. Quality goals are moving targets. It knows that its future lies in further improving the product quality and productivity, besides reducing costs and implementing lean manufacturing systems and Total Productive Maintenance (TPM).

Learning

Compulsion of competitive business environment is not merely to do well, but to do well than the competitiveness. This challenging situation is compelling industries to opt for new strategies leading to superior performance: the goal of TQM system. This calls for rethinking and reworking of an organization's existing processes, position, posture and attitude with a view to transforming the organization to enable it to cope with the changing context of business, where customer is king.

TQM provides the vehicle for change and transformation by making the organization more customer - focused, people - driven, flexible and committed to continuous improvement. The present study has resulted in the following valuable lessons:

1. Globalization has thrown new challenges as well the opportunities.
2. Implementation of TQM leads to improvement in performance.
3. Culture is an important issue for the success of TQM.
4. Awards, models provide a roadmap - a framework for excellence.

Tata Steel has inculcated the philosophy of Total Quality Management and Business Excellence as part of the company's Corporate Business Strategy. Any company can gain competitive advantage and move towards Business Excellence as described. Tata Steel has done this because of its foresight and the vision it had among the Top Management Leadership and support from all its employees in the company. These companies have prepared themselves to compete and be successful in a competitive globalized world.

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Case Study

Case Study

"Just Do It"@Ad Campaign: The Case of Nike Inc.

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Abstract

Nike's marketing tactics in the '80s, and in particular its campaign against Reebok, gambled on the idea that the public would accept sneakers as fashion statements. Nike later cashed in on the jogging/fitness craze of the mid 1980s, during which its "Just Do It" campaign expanded to attract the female and teenage consumers, in addition to the stalwart 18 – 40-year-old male consumers. Nike Inc. is a well-known company that produces branded sport shoes and quality sportswear that has been admired by everybody for their brand. Brand management of Nike Inc. has play an important role to the company as they are successful in capturing brand - minded of consumers in all levels. Although at first Nike Inc. faced tremendous critics from public about their inconsistent attitude through constantly changing their plans as they wanted. Suddenly they realized that they need to come out with something to encounter the perception of public by introducing - 'Just Do It' campaign, which give the spirit of doing something without hesitation. At the time being, Reebok, the biggest competitor of Nike Inc. tried to compete with them in term of sales, but Nike Inc. has proved that their - Just Do It campaign has been successfully implemented. The Just Do It campaign has become one of the advertising methods by the Nike Inc. in order to promote their brands until now.

Keywords: *Advertising, Brand Promotion, Just Do It Campaign*

I. Introduction

The roots of Nike are on a running track at the University of Oregon, which is where the two founders met. Bill Bowerman was the track and field coach there, and during his tenure Oregon produced no fewer than 33 Olympians. He was so determined to help his athletes excel that he made shoes for them by hand in his spare time. Phil Knight was one of his runners. Together they founded Blue Ribbon Sports, the company that became Nike. Initially they each put up $500 to buy some Japanese sports shoes which Knight sold at high school track events out of the back of a car. Their first major athlete endorser was Steve Prefontaine, holder of every US record from 2,000 to 10,000 metres.

The Nike name made its debut in the 1972 Olympic Trials. The company grew steadily until it held half of the booming US running footwear market by 1979. In that year, Nike introduced AIR technology. It became number one in the US sports shoe market in 1981. The company grew rapidly as its basketball business took off and expansion took place in other areas such as tennis and baseball, spearheaded by high-profile athletes such as John McEnroe.

The mid 1980s were awkward times. The company had to overhaul much of its infrastructure and failed to take advantage of the aerobics boom. However it emerged stronger and more competitive. One reason for this was Nike's relationship with a young basketball star called Michael Jordan. His first signature shoe, the Air Jordan, was banned by US basketball authorities and became so prized that an unofficial secondary market developed with prices well above retail. 1987 was a momentous year in which ‘Visible Air’ was introduced for the first time, seen in a ground-breaking commercial set to the Beatles’ song ‘Revolution’, which somehow caught the spirit of mass enthusiasm for playing sport and being physical. In that year, Nike also introduced the first Cross-Trainers, multi-functional shoes for people with multiple sporting interests.

In order to be a truly global company, however, Nike recognised that most of the rest of the world was in love with football, a sport which wasn’t particularly popular in the US. Nike’s early football products lacked real advantage, but as they steadily improved, supported by great athletes and good advertising, Nike became a dynamic major brand in football. In the UK, the company’s profile was boosted by its association with football stars such as Ian Wright and Eric Cantona. During the 1990s, UK sales grew by 600% and in 1999, London got its own Niketown — a superstore dedicated exclusively to Nike products. Another important development, reflecting the fact that Nike is an athletic brand rather than a youth brand, was the company’s expansion into golf. Nike began to work with Tiger Woods in 1996 and he won the US Masters by twelve strokes the following year.

In this era of competitive market, businesses are struggling to compete each other in order to be on the top of the world. Advertising is an important tool that can help businesses to be known and remembered by consumers. It has been defined that advertising is a communication tool that activate and attract the consumers to purchase goods and services which it can be informative and persuasive in nature. Businesses and non-businesses organization are using this advertising method to get acknowledgement and attention from their customers. While, according to Kotler and Keller (2016), “Advertising can be cost-effective way to disseminate messages, whether to build a brand preference or to educate people. Even in today’s challenging media environment, good ads can pay off.” Through advertising, people can be educated by providing the good information and knowledge to be shared for betterment in future. There are several objective of advertising that has been classified by Kotler and Keller (2016), whether they aim to inform, to persuade, to remind, or to reinforce. Advertising can be made through newspapers, television, direct mail, radio, magazines, outdoor, yellow pages, newsletters, brochures and also telephone (Kotler and Keller, 2016).

There are a lot of advantages of implementing the advertising method in order to promote and to market either for business or non-business purposes. For business purpose, some of their advantages are to promote and market the goods or services provided by the business. Remziye (2014) state that, “Advertising helps to publicize and promote their products to the public thereby helping to improve sales. Depending on the nature of the product, advertising uses the right media to get the message across to consumers”. Besides that, sales of the goods and services can be increased as “advertisement facilitates mass production to goods and increases the volume of sales. In other words, sales can be increased with additional expenditure on advertising with every increase in sale, selling expenses will decrease.” In addition, by advertising, businesses can meet their competition in the market with their competitors that produce the same products. Demand of the goods and services can be determined through advertising because some of the goods and services are seasonal demand and need to be identified so that the producer will allocate enough supply for equivalent demand (Chowdhury, 2011).

NIKE Inc. is a global well-known company producing sports apparel and athletic shoes. They have been in the market for a long time. Nike Inc.

also used the advertising method in promoting their products to consumers all over the world. At the critical time of global economic crisis, the company had made huge investments in advertising and brand promotion in order to maintain and sustain their image (Deng, 2009). The most famous advertisement campaign done by Nike Inc. which is "Just Do It" has boomed their sales, and their brand name became one of the top producer of sports apparel and athletic shoes in the world.

II. Business Background

According to official website of NIKE Inc., it was consolidated on September 8, 1969, and has been occupied with the plan, advancement, advertising and offering of athletic footwear, clothing, hardware, accessories and administrations. Their main headquarter is in Beaverton, Oregon and has employed about 62,600 employees as of May 31, 2015. They are operating with the incorporate of North America, Western Europe, Central & Eastern Europe, Greater China, Japan and Emerging Markets. According to the Editors of Encyclopedia Britannica (2016), Nike Inc. was called Blue Ribbon Sports before this in year 1964 to 1978, and has been founded by a track-and-field coach of University of Oregon - Bill Bowerman and his former student Phil Knight. The editors of Encyclopedia Britannica (2016) stated that, "They opened their first retail outlet in 1966 and launched the Nike brand shoe in 1972. The company was renamed Nike Inc., in 1978 and went public two years later."

In addition to that, NIKE Inc.'s brands include: NIKE Brand, Jordan Brand, Hurley and Converse. Nike Inc. mentioned in their 2015 Annual Report (2015) that: "We focus our NIKE Brand product offerings in eight key categories: Running, Basketball, Football (Soccer), Men's Training, Women's Training, Action Sports, Sportswear (our sports-inspired lifestyle products) and Golf. Basketball includes our Jordan Brand product offerings and Men's Training includes our baseball and American football product offerings. We also market products designed for kids, as well as for other athletic and recreational uses such as cricket, lacrosse, tennis, volleyball, wrestling, walking and outdoor activities."

Although Nike Inc. is an athlete footwear product, however, there are large percentages of the Nike Inc. consumers buying the products for leisure and casual purpose. That's how Nike can easily expand their target market to all - aged categories due to the sports casual fashion style. Therefore, Nike Inc.'s product can be easily accepted by all.

III. "Just Do It" Campaign By Nike Inc.

Nike is famous for its advertising as well as its athletes. They are the twin pillars of Nike promotion. The company does not hire athletes simply as mobile posters. They are the brand as much as products, advertising, or the people who work at Nike. The Nike personality has received contributions from such diverse characters as Ian Botham, Marion Jones, Steve Ovett, Seb Coe, Ronaldo, Sonia O'Sullivan and the England rugby team. In this way, a multi-faceted brand has been created. Instead of presenting one consistent, manicured proposition, Nike has over time delivered a wide variety of messages and exposed a number of different aspects of its personality. This is true to the athletic experience, and keeps the brand fresh.

Nike's advertising has been as diverse as its athletes. Much of it has featured top names, but not all. One of the commercials that launched 'Just Do It' featured an elderly runner in his 80s with false teeth. Ordinary athletes, people who might not even describe themselves as athletes, have found direct inspiration from Nike advertising. Nike adverts have featured celebrities as diverse as Dennis Hopper, Spike Lee and Bugs Bunny. A famous basketball star, Penny Hardaway, was given a puppet as an alter ego. The Brazilian football team was famously let loose in an airport during the 1998 World Cup.

Much Nike advertising appears to have been created without reference to marketing textbooks or batteries of research data. It frequently lacks an explicit product message, even a consistent endline, and has encompassed a wide variety of different advertising ideas. But the resulting 'post-advertising' has certainly struck a chord with a generation highly attuned to the tricks of the marketing trade.

In the UK, Nike has run advertising developed for a variety of intended markets, from London right through to global campaigns. Highlights have included some famously provocative posters, the 'Parklife' commercial celebrating the world of Sunday League football and the transformation of a Tube station into a tennis court for Wimbledon 1997. A year later, after England's traumatic exit from the World Cup, the company caught the mood of a shell-shocked nation with its 'Condolence' television advertisement.

"Just Do It" advertising campaign implemented by NIKE Inc. has changed the brand perception of NIKE where people valued the brand even more, and consumers are willing to pay more in order to own the products by NIKE due to their quality, style and reliability. Center for Applied Research (n.d.) states that after the "Just Do It" campaign, the NIKE brand become stronger compared to other giant company such as Coca-Cola, Gillette and Proctor & Gamble. The "Just Do It" campaign was named after a meeting of Nike s advertising agency, Dan Weiden and Kennedy with the employees of NIKE. As they are having the meeting, Den Weiden admiringly told the NIKE's employees like, "You Nike guys, you just do it.", as reported by the Center of Applied Research (n.d.). Odimp (2012) explained that the logo 'just do it' is an important message that gives the ideology that whatever people want to do, they can just do that without having to consider the effects on others, whether it is good or bad.

As reported in 2015 Annual Report by Nike Inc., (2015):

"Because NIKE is a consumer products company, the relative popularity of various sports and fitness activities and changing design trends affect the demand for our products. We must, therefore, respond to trends and shifts in consumer preferences by adjusting the mix of existing product offerings, developing new products, styles and categories and influencing sports and fitness preferences through extensive marketing."

As they (Nike Inc.) realized that their consumers are demanding design that follow the trends and always updated in term of styles, Nike Inc. decide to introduce the slogan of "Just Do It" as a campaign that advertise more on their brands and products with the help of hiring some famous top athletes to exhibit the "Nike looks". Some of top athletes that been chosen by Nike are Cristiano Ronaldo, Neymar Jr., EldrickTont Woods (Tiger Woods) and many more.

Previously, Deng (2009) mention that Nike Inc. are using professional athletes to increase their demand and popularity, through word-of-mouth of the public figures, about their products. As their initial product advertising strategy in late 1970s and in 1980s, Nike. Inc. is moving towards expanding their target market to the teenagers instead of focusing only for athletes and sportsman. When Nike brand become stronger than before, Nike Inc. observed that not only teenagers and sportsman as their target market, but also young and middle-aged people who become more preferred to the sports - world, since economy nowadays became much tougher and thus they need sports as their stress-reliever.

Through the development of expanding the target market, Nike Inc's. advertising strategy become much easier, as they have their brand name known worldwide. The marketing campaign for this product was supported by a memorable TV ad in which the Beatles' Revolution was the soundtrack. It was for the first time that a Beatles song was being used in a TV ad. Riding on the success of this campaign, Nike a year later, launched an even more empowering series of ads with the tag line "Just do it".

The series had three ads featuring young sportsman Bo Jackson who campaigned on the benefits of a new cross-training pair of Nike shoes. Almost every year after Nike launched its air cushioning technology, it released new versions of Air Max. Currently, Nike has nearly 40 models under this brand name.

Linking the Campaign to Consumer Needs

Through its "Just Do It" campaign, Nike was able to tap into the fitness craze of the 1980s. Reebok was sweeping the aerobics race and gaining huge market share in the sneaker business. Nike responded to that by releasing a tough, take-no-prisoners ad campaign that practically shamed people into exercising, and more importantly, to exercising in Nikes.

The "Just Do It" campaign was also effective in reassuring consumers that the brand they picked, Nike was a quality brand. This was most effectively portrayed by celebrity sports figures such as Bo Jackson, John McEnroe and later, Michael Jordon. If Michael Jordan can play an entire NBA season in a pair of Nikes, certainly the average weekend warrior can trust the shoes' durability.

Celebrity endorsements also appealed to the consumers' sense of belonging and "hipness," as Nike became a self-fulfilling image prophecy: if you want to be hip, wear Nike; if you are hip, you are probably wearing Nike. The "Just Do It" campaign was able to turn sweaty, pain-ridden, time-consuming exercise in Nike sneakers into something sexy and exciting. Perhaps most importantly, even those who were not in fact exercising in Nikes (the vast majority) still wanted to own them. By focusing on the aura and image conveyed by the fitness culture, Nike was able to attract those who wanted the image without incurring the pain.

Linking the Campaign to Strategy

Nike was in a tough spot in the late 1970's. It was being swamped by Reebok's quick initiative on designing aerobics shoes and needed to respond dramatically and forcefully. It could be argued that the "Just Do It" campaign was not only about sneakers but about Nike's own renaissance. No longer content to be the choice running shoe of a few thousand marathoners and exercise nuts, Nike wanted to expand its operation to target every American, regardless of age, gender or physical-fitness level. "Just Do It" succeeded in that it convinced Americans that wearing Nikes for "every part of your life" was smart (the shoes are designed for comfort) and hip (everyone else is wearing them, you too can belong to this group.). Nike took its own advice and "Just Did It" by directly attacking Reebok in the sport-shoe market.

Why was the Campaign Successful?

The timing of this campaign could not have been better. Americans were buying exercise equipment at a record pace in the mid 1980s, and body worship was at an all time high. Nike tapped into consumers' desire for a healthy lifestyle by packaging it into a pair of $80 sneakers. The ads were often humorous, appealing to the cynic in all of us, while imploring consumers to take charge of their physical fitness. The ads made starting an exercise regime seem like a necessity, and the way to start exercising was to buy Nike merchandise.

More importantly, by owning Nikes you were instantly a member of a desirable group. The campaign was easily identifiable (to the point that Nike eventually did not even bother to display the word "Nike" in commercials—the swoosh was enough) and stayed true to its message.

IV. Competitors Of Nike Inc.

The main competitors for Nike Inc. in sportswear business sector: Adidas, Reebok, Puma, Fila and Under Armour (Mahdi, Abbas and Mazar, 2015). These competitors are also producing good and quality sportswear products which consumers can easily switch to any similar brands due to any factors. But, among those 5 other brands, Adidas was the most biggest competitor for Nike Inc.. As mention by Bhasin (2017), "Adidas is one of the topmost Nike Competitors. One of the key advantages of Adidas is that it operates via both– the Adidas brand and also has a strong subsidiary in Reebok." Bhasin (2017) also added that the combination of both advantages in Adidas gives a strong valuation to Adidas and it contributes as a top competitor of Nike.

V. Objectives Of The Case Study

The objective of this case study is to:

- To observe how Nike Inc. encounter their brand management through advertising.
- To study the practices implemented by Nike Inc. in order to compete with other competitors
- To understand the importance of advertising management in business.
- To acknowledge the advertising technique used by Nike Inc..
- To appreciate the success-fullness of Nike Inc. in advertising their brand name through campaign.

VI. Analysis On Advertising Method For Nike Inc.

Based on the case study, it is found that Nike Inc. has successfully implementing the "Just Do It" campaign, with the increase in number of sales right after the campaign implemented. As has been reported in the NIKE Inc. Sustainable Business Performance Summary, and "NIKE Inc. has recorded revenues of $30,601 million during the financial year ended May 2015 (FY2015), an increase of 10.1% over FY2014. The operating profit of the company was $4,175 million in FY2015, an increase of 13.5% compared to FY2014. The net profit of the company was $3,273 million in FY2015, an increase of 21.5% over FY2014". This has proved that Nike Inc. has been successfully implementing a campaign that gave positive impact to their brands and also indirectly promote their brand through this advertising method.

Furthermore, advertising strategy used by Nike Inc. has won the heart of audiences by promoting their brands by using famous sportspersons as the image of Nike Inc. under the campaign "Just Do It". As we can see, consumers are easily attracted to certain brands by seeing what their idol or public figures wear. This is because consumers tend to buy and get attracted to up-to-date trending fashion and lifestyle. Nike Inc. has used this strategy as a weapon to influence the mind of consumers. Plus, decision of choosing sportspersons like Cristiano Ronaldo, Neymar Jr., EldrickTont Woods (Tiger Woods) to advertise their brands contribute to huge amount of profit invested. These sportsperson grants to the advertising and marketing strategy for Nike Inc. and therefore bring the Nike brands to the eyes of the world.

VII. Conclusion

In conclusion, advertising practices of Nike Inc. has brought their brands to the higher level compared to other similar brands. In addition, the great representative by Nike Inc. plays strong position in capturing the confidence of consumers towards the brand itself. The perfect timing of implementing the "Just Do It" campaign also is one of the factors of Nike Inc's. successfulness. Based on the observation done, Nike's advertisement rarely focused only on the product itself. But, they are focusing to the person who wears the product with the casual jokes and interesting ads. The clever marketing strategy done by Nike Inc. has proved that business without marketing is just a business without soul. Thus, advertising in marketing strategy does give huge impact that contributes to brand promotion and product acknowledgement that leads to corporate reputation to businesses. It is recommended to every business to learn and observe how Nike Inc. manages their strategy on marketing through the advertising practices in order to be strong and stable brands like them.

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Book Review

Trust Factor: The Science of Creating High-Performance Companies

(Author: Paul J.Zak, *Publishers: AMACOM, a division of American Management Association, 1601 Broadway, New York, NY 10019. Price: US $24.)*

Debaprasad Chattopadhyay
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Prologue:

Organizations world-wide, have explored multiple options to retain employees, however, nothing seems to work better than building a high-trust culture. It helps to promote productivity, makes employees energetic at work and reduces attrition. Collaborative practices at work, stress-free environment and happiness are key cornerstones to success. Earnings also inflate as profits sky-rocket than those at low-trust firms. Identifiable eight factors underpin the success and form the fulcrum of achievement. These include: Ovation, Expectation, Yield, Transfer, Openness, Caring, Invest and Natural. Each of these encapsulated in the mnemonic, OXYTOCIN, will be dilated in the write-up to follow.

A snapshot of the book under review:

The structure of the book starts with Introduction and is sequentially complemented with Chapters commencing from The Science of Culture and running through the eight factors mentioned in the above prologue, each treated as a distinct Chapter, culminating into two more Chapters on Joy and finally on Performance.

Introduction:

The author, a neuroscientist cum economist from USA, in an effective raconteur style, sets out to narrate what happened in his first-ever organizational culture experiment in a rain forest amidst Papua New Guinea, a remote rural location, Malke, to the north of Australia. The pressure was enormous as the terrain was alien and the target-audience was an isolated tribe besides being always wary of the fact that it is being filmed by NHK TV from Japan. The author amazingly found out that creating a culture of trust amongst the inhabitants alleviated his problems. They socialized and became friendly. His testing of blood of sample subjects revealed that the brain synthesizes the neurochemical oxytocin when employees are trusted and that oxytocin prompts employees to reciprocate trust by being trustworthy. A culture of trust generates powerful leverage on organizational performance. Trust fosters effective teamwork and provides intrinsic motivation. It is therefore crucial to nurture a culture of mutual trust.

Chapter 1:

The Science of Culture: The author summarizes his findings on oxytocin and discusses the role of oxytocin in human experiences and behaviors such as empathy, altruism, and morality thus creating an enabling culture.

Chapter 2:

Ovation: This refers to praise publicly and unexpectedly. Ovation will have the largest impact on brain and behavior when it is public, unexpected, tangible, personal, comes from peers and is close in time to the goal that was met or exceeded.

Chapter 3:

Expectation: This pertains to inducing challenge stress. The essence is to provide regular feedback on performance which builds neural pathways in the brain that adapt behavior to meet goals. Annual reviews are mostly futile and are often disliked. Difficult, yet achievable goals engages brain's reward system and engage employees better.

Chapter 4:

Yield: It implicates learning through mistakes. Employees should be allowed to take control of their work. It is only then that they accomplish and evolve new ways to be creative. Yield can arouse the dormant skills of colleagues. Task rigidity ought to be avoided. Empowerment is the key driver to innovation.

Chapter 5:

Transfer: It means management by absence. Nearly two-thirds of employees dream of autonomy. They should be allowed to decide what teams and tasks they want to contribute to, and their productivity gets elevated. Self-management is a sequel to transfer which permits colleagues to craft their own jobs and results in creating organizational trust.

Chapter 6:

Openness: It relates to crowd-source information. Transparency is the catchword here. It creates high levels of trust by relieving the stress of not knowing and, thus, wondering and worrying. Hence, more information sharing is desirable..

Chapter 7:

Caring: This refers to building relationships. Caring promotes empathy and social bonds, from which engagement springs. If employers care about employees, the latter will care about the former. This, in turn, will build trust.

Chapter 8:

Invest: It focuses on whole person growth. Companies that invest in employees' career and personal growth—"whole person development"—see much higher rates of retention. Work-life integration assumes importance. Stay-interviews, Good-bye reviews, Games and training, Nap time, Productive rest are good pointers to create organizational trust.

Chapter 9:

Natural: Pertains to the vulnerable. An organization is Natural when leaders are honest and vulnerable. Vulnerability is not weakness. Honesty is not embarrassing. Both are strengths that invite collaboration, which leads to greater performance.

Chapter 10:

Joy: Joy is a product of Trust and Purpose. Broadcasting Purpose is important. Long-term motivation requires Purpose. Experiments have shown that Purpose increases Joy. So both Joy and Purpose are important. Absence of any one of these two will thwart Joy.

Chapter 11:

Performance: Employees in high-trust organizations are substantially more productive, have more energy at work, and stay with their employers longer. They collaborate more effectively with coworkers, suffer less chronic stress, and are happier than employees working at low-trust companies. And they earn higher salaries because they generate so much more profit than those at low-trust organizations. In the final analysis, Ofactor is the only solution built by real neuroscientists that is designed to create and sustain a high-trust culture leading to enhanced

Performance.. It is based on over 13 years of field and lab-based neuroscience research by Dr. Paul Zak and is an enabler to engineer a high-trust, high-performance organization.

Epilogue:

The author therefore uses neuroscience to measure and manage organizational culture to inspire teamwork and accelerate business outcomes. He applies neuroscience to organizational culture to demonstrate that high trust improves the triple bottom line and explores ways in which managers can create and sustain a culture of trust. The book shows leaders of organizations how to create and sustain a culture of trust. The old adage "trust begets trust" is true, and neuroscience proves it. By using hard science to optimize soft skills, *Trust Factor* offers a fresh approach to understanding why we behave as we do and how to spur dramatic, positive changes in even the most entrenched workplace cultures. A worthy and must read indeed.

Mapping Innovation

(Author: Greg Satell, *ISBN: 978-1-259-86225-0,*
Price: RM 130.00, Publisher: McGraw-Hill, 2017, Pages: 215)

Malay Bhattacharjee
Globsyn Business School, Kolkata

Introduction

Innovation has been defined by Scott Anthony as "something different that has impact". Innovation need not to be misunderstood as though it is the other word of invention. Innovation means 'change'. As 'change' is inevitable and perhaps the only constant of life, we human beings also need to change ourselves in due course of time, or else, we would be alienated from our own environment. Same applies to companies big or small. Innovation has become the new mantra. Products – tangible or intangible needs to go through continuous changes as well to meet the rising aspirations of the people, here consumers. Stagnancy is not acceptable even in personal life. This does mean that human mind automatically progresses with time which in turn results in the growing of new aspirations in them. From the producers point of view this gives room for new 'opportunities' which if can be utilised would create a group of satisfied customer or consumers and in the process may change the complexion of the market partially if not wholly.

The book titled "Mapping Innovation" tries to justify the process of innovation in two concrete steps wherein it suggests that a problem being faced by an organisation requires to be solved and this tends to be the primary pretext of innovation. So, the irony happens to be the concept of a 'problem' getting fixed with the aid of an 'innovation'.

In the first step it says that "How well is the problem defined?" And here the book has come through with a beautiful case. The case pertains to Steve Jobs when he wanted to have a devise which can accommodate 1,000 songs and yet be of a size which can be carried in a pocket. In the second case it says that "Who is the best placed to solve it?" Here, it comes through with the solution element of Steve Jobs, when he after a few years of intense search found that Toshiba had created a five-gigabyte drive that was quite handy and can easily be carried in one's pocket. He immediately secured the exclusive rights of that technology from Toshiba for $10 million and then the "iPod" was created by his own people once they had that technology with them. "iPod" went on to make a movement and changed the entire complexion of the industry as a whole.

The book has also provided with the Innovation Matrix which speaks of four types of Innovations contrary to the conventional belief that innovation is of two types, based on two parameters a) Problem definition b) Domain definition. The four types being put forward are Basic Research, Breakthrough Innovation, Sustaining Innovation, and Disruptive Innovation.

A brief overview of the four types of innovation

Basic Research: This calls for a situation when someone wants to discover something completely new and unfortunately neither the problem nor the domain is well defined. Some firms like IBM and Microsoft, attract world-class talents from all over the world and allows them to see 5, 10, or 20 years down the road. In the recent past some of the firms have taken partners directly from the academia so that they don't have to wait for results to be published publicly. The firms offer high incentives to the academic researchers which ultimately make them understand what change is likely to come down the line.

Breakthrough Innovation: Most organizations focus on solving problems that they can clearly define. Having said that it is also true that even well defined problems can be devilishly hard to solve. So, organizations believe that to solve tough problems one needs combination of ideas. For example, Darwin's theory of 'natural selection' sprung to life after he read a paper of Thomas Malthus, an economist. Einstein cited David Hume, a philosopher as one of the crucial influences that led to his discovery of special relativity. Therefore, it is all but clear that to solve a tough problem the third one is required who might not be someone from the actual field. A very good example, as presented in the book, says that a technology firm was given a budget of $ 1 million to design a sensor to detect water pollutants in minute concentrations. The team being formed had a marine biologist who was not a technology expert. He was 45 minutes late in the first team meeting but as he came, he placed a bag of clams on the table. He then informed the teams members that clams can detect pollutants at concentrations of just a few parts per million, which would cause their shells to open. So, they are to create a sensor which would be able to detect when do the clams open their shells. What a smart way to solve a complex problem.

Sustaining Innovation: Technology needs to get better in due course of time. This calls for 'Incremental innovation'. Every year our cameras get more pixels, our computers get more powerful etc. These are all due to the fact that incremental innovation is practiced by almost all to sustain in the market.

Disruptive Innovation: According to Harvard Professor Clayton Christensen, many of the big companies fell because they were “too good” at what they did. This gives the competitor firms valuable opportunity to change the basis of competition. According to Christensen, disruptive innovation is a product that changes the basis of competition because it performs worse in terms of traditional parameters, but better against new parameters that previously were not regarded as important.

Conclusion

The book is very well written and contains rich real life examples towards every issue. This makes it not only enjoyable to go through but also something which makes us understand and learn the nuances of innovation. How nice to learn that disruptive innovation has got nothing to do with a disruptive technology, but has everything to do with something else which changes the very basis of competition.

Globsyn Management Journal

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INTRODUCTION

Globsyn Management Journal is an EBSCO enlisted bi-annual publication of Globsyn Business School, Kolkata, India. GMJ is also available in the Pro Quest database and in enlisted in the Cabell's dictionary. Its objective is to contribute to a better understanding of organizations and their functioning by presenting conceptually sound and methodologically rigorous articles which provide insights and advance knowledge on managerial, business and organization issues.

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   b. Methods of Data Collection
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LIQUIDITY MANAGEMENT: A STUDY ON NALCO LTD.

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ABSTRACT: Liquidity plays an important role in the successful functioning of a business firm. The critical part in managing working capital is maintaining adequate liquidity in the business to ensure smooth business operation and to meet its short term obligations as and when they become due. The objective of the present paper is to examine the liquidity position of the NALCO Ltd., a central public sector undertaking. The data has been collected from the annual reports of the company and the study period covers from 2009-10 to 2019-20. Five liquidity ratios namely current ratio, quick ratio, cash ratio, absolute liquidity ratio and working capital ratio are calculated to ascertain the liquidity strength of the company. The result reveals that too much liquidity is maintained by the NALCO. However, it adversely impacts the profitability position of the company. Hence, there is a need to curtail the excessive liquidity so that it can contribute more to the profitability of the NALCO Ltd.

Index Terms: **Current Asset, Current Liability, Liquidity, NALCO, Working Capital.**

1. Introduction

Finance is the life blood of every business organization. Without proper management of financial resources, it is very difficult on the part of any business organization to compete in the competitive world triggered by liberalization, privatization and globalization. Further, holding sufficient liquid resources is essential for every business organization. Thus, liquidity plays an important role in maintaining smooth operations for firms (Owolabi and Obida, 2012). The term 'liquidity' refers to the debt servicing capacity of a firm. It is the firm's ability to meet the claims of short term creditors on due date who have supplied raw-material, working capital etc. to the firm. Therefore, management of liquidity is the prime focus of the business organization because it directly relates to the short term solvency of the said organization. In order to analyze the liquidity position of the business organization, one of the powerful techniques available in the hands of the financial analysts is known as the ratio analysis. Here, Liquidity ratios are used to examine the short term solvency of the organization. Liquidity ratios explain the short term financial position of the company. It helps to estimate whether the company is in a position to meet its short term obligations or not. Therefore, liquidity ratios are also called as short term solvency ratios. The short term creditors of the company and commercial banks are primarily interested to know whether the company is able to meet its short term obligations as and when they become due. The present paper aims at examining the liquidity position of NALCO by applying the liquidity ratios to determine whether the said company is effectively utilizing its current assets and current liabilities or other-wise.

2. Importance of the study

The short-term obligation of a firm can be met only when there are sufficient liquid funds. Therefore, a firm must confirm that it does not suffer from illiquidity or inability to pay its short term obligations. Further, even maintaining very high degree of liquidity is not good for a firm because in such a situation unnecessarily excessive funds of the firm is being tied up in current assets. Hence, it is quite essential to maintain adequate or sufficient liquid funds to meet the short term obligation of the firm. Here, one of the fundamental duties of finance manager is to maintain optimal liquid funds so as to run the business smoothly and ensure that short term obligations are met as and when they are due. In this research paper an attempt has been made to examine the liquidity/short term solvency position of NALCO, a central public sector undertaking.

3. Statement of the problem

Management of liquidity is concerned with the current assets, the current liabilities and the interrelationship that exist between them. It assumes greater importance in the finance literature because excess liquidity or lack of liquidity is not good sign for the business organization. The finance manager has a key role to play in maintaining sufficient liquidity position in the firm so that the firm will not suffer from illiquidity or excessive liquidity. Moreover, a firm requires working capital to utilize its fixed assets, hence the effective utilization of the fixed assets, depends upon the amount and usage of the working capital. Looking at the importance of liquidity in a business organization, the current piece of research work is devoted on the assessment of the liquidity performance of NALCO, a Navratna company in central public sector undertaking category.

4. Review of literature

Review of literature in the allied area of research facilitates in understanding the fundamentals and also creates the foundation for further research. Research studies relating to the liquidity analysis across different industries have been carried out by eminent researchers at national and international level. The key findings of latest such studies are presented below.

Deloof (2003) carried out a research study on the working capital management that affect on profitability of Belgian firms. He investigated the relation between working capital management and corporate profitability for a sample of 1,009 large Belgian non-financial firms for the period from 1992 to 1996. Trade credit policy and inventory policy are measured by number of day's accounts receivable, accounts payable and inventories and the cash conversion cycle is used as a comprehensive measure of working capital management. The results of the study suggest that managers can increase corporate profitability by reducing the number of day's accounts receivables and inventories. Further, the study observed that less profitable firms can wait longer period to pay their bills.

EIjeIIy (2004) carried out a study on liquidity and profitability tradeoff on a sample of joint stock companies in Saudi Arabia. The relation between profitability and liquidity was examined through current ratio and cash gap (cash conversion cycle) by using correlation and regression analysis. The study revealed that the cash conversion cycle was more important measure of liquidity than the current ratio that affects profitability. Further, it was found that there was a negative relationship between liquidity and profitability indicators in the Saudi sample companies. The study also revealed that there was a great variation among industries with respect to the significant measure of liquidity.

Chakraborty (2008) in his study made an evaluation on the relationship between working capital and profitability on selected companies of the Indian pharmaceutical industry. His study pointed out that investment in working capital plays an important role to increase the profitability of the business undertaking. Unless there is a minimum level of investment in working capital, output and sales cannot be maintained. He concluded that the inadequacy of working capital would keep fixed asset underutilized.

Samiloglu and Demirgunes (2008) conducted a study on the effect of working capital management on profitability of companies listed at the Istanbul Stock exchange (ISE). He applied the multiple regression models to examine the effect of working capital on selected companies' profitability during the period from 1998 to 2007. The findings of the study revealed that accounts receivables period, inventory period and leverage affected profitability negatively whereas growth parameter (sales) affected profitability positively.

Chandrabai and Rao (2011) conducted a comparative study on working capital management of two Indian electrical equipment manufacturing companies. They selected two companies namely BHEL and ABB Ltd. representing one public and one private sector enterprise for their study respectively. They collected relevant data from the annual reports of the sample companies during the period from 2005-06 to 2009-10. They found that proper management of working capital of such companies contributed better performance for financial year 2010. They concluded that working capital management is concerned with the management of both current assets and current liabilities and the interrelation that exists between them.

Mehrotra (2013) made an attempt to examine the working capital trends and practices in FMCGs sector in India. She selected five FMCGs companies namely Hindustan Unilever Limited, Nestle India Limited, Britannia Industries, Procter & Gamble and ITC for the study. The data has been collected from the annual reports of the sample companies for a period of 5 years i.e. from 2007 to 2011. The trend of the liquidity position of the five companies reveals that there is high degree of liquidity in case of Proctor& Gamble whereas the liquidity position of Britannia and ITC is moderate. However, the liquidity position of Hindustan Unilever Ltd. and Nestle is quite unsatisfactory.

Saravanan and Abarna (2014) carried out a study to analyze the liquidity efficiency of five sample automobile companies in India. The sample companies are Ashoak Leyland, Eicher, Force, SML and TATA motors. The data relating to the study was obtained from CAPITA LINE, CMIE (Centre for Monitoring Indian Economy) date base and the annual reports of the sample companies. The study covers a period of 5 years covering a period from 1997--98 to 2012-13. They applied the liquidity ratios namely current ratio and quick ratio to measure the liquidity efficiency of the sample companies. The researchers concluded that the performance of force motors is better than the other companies. They concluded that a cautious attention has to be given on liquidity to improve the profitability of such sample companies.

Venkateswarlu and Reddy (2015) in their study on Liquidity Management examines the liquidity management of select cement companies of Andhra Pradesh for a period of 10 years i.e. from 2003-04 to 2012-13. They selected six companies and included in their study. The liquidity position of the select units has been analyzed by computing current ratio, quick ratio, liquid funds to current assets ratio and net working capital to current assets ratio. Finally, comparative liquidity position among select units has been made by allotting ranks to them as per the Motaal's Ultimate Rank Test. They concluded that Deccan Cements Ltd. is awarded first rank indicating the most liquid company among the six sample companies selected for the study. It is followed by Panyam Cements & Mineral Industries Ltd. and Sagar Cements Ltd. On the other hand, NCL Industries Ltd. showed a poor liquidity position.

Raju (2016) carried out a study to know the relationship between liquidity and solvency position of the automobile industry. His sample size consisted of six auto companies namely Maruti Suzuki, Ashok Leyland, Mahindra & Mahindra, TVS Motor, Tata Motors and Hero Motor Corporation. The data has been obtained from the annual reports of the sample companies and the study period was from 2002-03 to 2014-15. The results were obtained with the help of statistical techniques like paired sample statistics, paired samples correlation and paired sample test. The study found that the more liquidity was possessed by Maruti Suzuki, followed by Ashok Leyland and Mahindra & Mahindra. Finally he suggested that every company should maintain the optimum liquidity position to earn a maximum return even though the existing liquidity position was satisfactory.

Tin et al. (2017) made an attempt to examine the liquidity position of Vietnamese listed firms for a period of five years i.e. from 2011 to 2015. They selected 254 Vietnamese listed firms from Ho Chi Minh Stock Exchange database. In order to analyze the liquidity position, they followed two approaches, namely conventional financial ratios based on balance sheet and income statement and cash flow ratios. To examine whether there is a difference between traditional ratios and cash flow based ratios as a measure of liquidity of Vietnamese listed companies, estimation method and mean difference testing method are applied in the study. The result indicates that there is a statistical difference between cash flow ratio and current ratio as well as between critical needs cash coverage ratio and quick ratio of Vietnamese listed companies. However, no statistical difference is found with regard to interest coverage ratio of Vietnamese listed companies in both approaches.

Garg et al (2018) carried out a study to examine short term solvency position of NTPC. The study is based on secondary data collected from annual reports of the company. The study period is from 2007-08 to 2016-17. They used three important liquidity ratios namely current ratio, quick ratio and super quick ratio to examine the liquidity strength of the company. The result of the study indicated that the liquidity position of the company is moving downward. On the whole, the liquidity analysis of NTPC exposes the serious weakness of the company in managing its working capital. The results of the study also revealed that the gross working capital has declined during the study period and the net working capital has become negative.

Chhatrola and Ransariya (2019) conducted a study to analyze the liquidity performance of BSE 30 companies for the period commencing from 2012-13 to 2016-17. For this purpose, the liquidity ratios like current ratio and quick ratio are calculated. In addition to that the ANOVA has been used for testing the hypothesis. The result reveals that the liquidity position of Infosys Ltd is found good among all units listed in BSE-30 companies during the study period. The study also reveals that HDFC Ltd. and Tata Motors ltd. have the lowest liquidity position during the study period. Furthermore, the study found that there is no significant difference in current ratio and quick ratio of the sample companies during the study period.

Modi (2020) in her study attempts to measure the liquidity status of selected automobile companies in India. The data has been collected from annual reports of the sample companies. In order to measure the liquidity position, current ratio and quick ratio were calculated for the period of five years i.e. from 2014-15 to 2018-19. Apart from this, statistical tools like mean, standard deviation, and coefficient of variances were used to analyze the data. This study concluded that Ashok Leyland Limited, Bajaj Auto Limited, and Eicher Motors have a weak liquidity position while Hero Motor Corp has a good liquidity position. On the other hand, Force Motors Ltd. has a strong liquidity position during the study period.

5. Objective and scope of the study

The current research work has been carried out on the liquidity aspect of NALCO and following are the objectives of the study.

1. To examine the liquidity position of the NALCO
2. To ascertain the short term solvency position of the NALCO
3. To find out the areas of weakness in liquidity management and offer suggestions for improvement, if any.

Further, the scope of the present study is limited to the liquidity analysis of NALCO only. In other words, other aspects like profitability, solvency etc. is not included in the purview of this study**.**

6. Research Methodology

The following methodology has been followed to carry out the present research work.

Data Collection: The data for the study has been collected mainly from the secondary sources i.e. annual reports of NALCO. The important components of current assets and current liabilities were extracted from the annual reports and then relevant liquidity ratios were calculated for the analysis and interpretation.

Period of the study: The period of study is 11 years i.e. from 2009-10 to 2019-20. The researchers consider that a minimum of 10 years or more continues data is necessary to determine the trend and behavior of liquidity aspect of NALCO with more degree of accuracy.

Sample Size: The sample size for this study is only one company i.e. NALCO. This company has been selected to carry out the research work in the line of the objectives mentioned earlier.

Tools and Techniques used for the study: In this study ratio analysis technique has been used for the purpose of data analysis. To study the liquidity position of NALCO, liquidity ratios are used in this study. Apart from this, trend analysis, mean, standard deviation and correlation analysis were also used to analyze the data.

7. Conceptual framework on the parameters used for liquidity analysis

In order to analyze the liquidity position of the NALCO, the following liquidity ratios are selected and the importances of such ratios are outlined below.

Current ratio: Current ratio implies the financial capacity of the firm to clear off the current obligations by using its current assets. Here the current assets include cash, deposits, marketable securities, stock, receivables, prepaid expenditures, etc. The current liabilities include short-term loans, payroll liabilities, outstanding expenses, creditors, various other payables, etc. A current ratio of 2:1 is a standard one. If the current ratio is less than 1, it means that the financial performance of the firm is said to be unsatisfactory. The formula used to calculate current ratio is given below.

Current ratio = Current assets / Current liabilities

Quick ratio or Acid test ratio: Quick ratio or acid test ratio is another liquidity ratio that determines a firm's current available liquidity position. Here easily convertible marketable securities and present holding of cash are considered while calculating the quick ratio. Hence, inventories are excluded when acid test ratio is considered. Quick ratio of 1:1 is ideal one and it reflects a stable financial position of a firm. The formula used to calculate quick ratio is given below.

Quick ratio = (Current assets – Inventory) / Current liabilities

Cash ratio: Cash or equivalent ratio measures a firm's most liquid assets such as cash and cash equivalent to the entire current liabilities of the concerned firm. Since cash or money is the most liquid form of current asset, this ratio indicates how quickly and to what limit a company can repay its current dues with the help of its readily available liquid current assets. The formula used to calculate cash ratio is given below.

Cash ratio = Cash and equivalent / Current liabilities

Absolute liquidity ratio: Absolute liquidity ratio considers cash and equivalents as well as marketable securities against current liabilities. Firms should make every effort for an absolute liquidity ratio of 0.5 or above in order to avoid short term insolvency situation. The formula used to calculate absolute liquidity ratio is given below.

Absolute liquidity ratio = (Cash and equivalent + Marketable securities)/Current liabilities

Working capital turnover ratio: Working capital turnover ratio helps in determining how efficiently the firm is using its working capital in the business. This ratio signifies that how efficiently a firm is generating its sales with respect to the working capital. Here the working capital means the difference between the current assets and current liabilities. A high turnover ratio indicates that the firm is being extremely efficient in using its current assets and liabilities to support sales. Conversely, a low ratio indicates that the business is investing in too many accounts receivable and inventory assets to support its sales, which could eventually lead to an excessive amount of bad debts and obsolete inventory write-offs. The formula used to calculate inventory turnover ratio is given below.

Working capital turnover ratio = Sales/ Working capital

8. Analysis and interpretation of data

Keeping in view the objectives of the study, the analysis and interpretation of the data has been carried out and they are presented in the following section.

Current ratio: In order to test the liquidity position of NALCO, the current ratio for a period of 11 years i.e. from 2009-10 to 2019-20 has been calculated and presented in table-1.

Table-1: Current ratio of NALCO

(Rs.in crore)

Year	Current assets	Current liabilities	Current ratio (in times)
2009-10	5209.64	2219.93	2.35
2010-11	6805.08	2821.23	2.41
2011-12	7022.33	2676.89	2.62
2012-13	7075.81	3211.93	2.20
2013-14	7426.20	3242.75	2.29
2014-15	7712.18	1967.04	3.92
2015-16	7343.65	1981.95	3.71
2016-17	5655.79	2651.93	2.13
2017-18	5613.90	2440.93	2.30
2018-19	5600.70	2905.12	1.93
2019-20	4557.80	2720.02	1.68
Mean	6365.73	2621.79	2.50
Standard deviation	1062.16	435.87	0.70
R= -0.0262			

Source: Compiled from annual reports of NALCO

The above table reveals that the current assets of NALCO increased from Rs. 5209.64 crore in 2009-10 to Rs.7712.18 crore in 2014-15. Thereafter, it started declining and stood at Rs. 4557.80 crore in 2019-20. On the other hand, the current liabilities of the company showed a complete fluctuating trend during the study period. The mean value of current assets and current liabilities of the company recorded at Rs. 6365.73 crore and Rs. 2621.79 crore respectively. Further, there is a low degree of negative relationship between current assets and current liabilities. While considering the standard deviation, it is found that the variation in current assets is more than the current liabilities during the study period. Further, the current ratio of the company shows a complete fluctuating trend. The company recorded a minimum current ratio value of 1. 68 in 2019-20 and maximum current ratio value of 3.92 in 2014-15. However, the company recorded an average current ratio value of 2.50 during the study period. Looking at the values of current ratio, it can be inferred that the liquidity position of the NALCO is quite satisfactory. In other words, there is no threat to the short term solvency position of the company.

Quick ratio: Quick ratio is otherwise known as acid test ratio. The table-2 shows the quick ratio position of NALCO during the period from 2009-10 to 2019-20.

Table-2: Quick ratio of NALCO

(Rs. In crore)

Year	**Quick assets**	**Current liabilities**	**Quick ratio (in times)**
2009-10	**4264.72**	**2219.93**	**1.92**
2010-11	**5734.08**	**2821.23**	**2.03**
2011-12	**5809.63**	**2676.89**	**2.17**
2012-13	**5695.17**	**3211.93**	**1.77**
2013-14	**6252.54**	**3242.75**	**1.93**
2014-15	**6546.62**	**1967.04**	**3.33**
2015-16	**6288.64**	**1981.95**	**3.17**
2016-17	**4499.86**	**2651.93**	**1.70**
2017-18	**4419.82**	**2440.93**	**1.81**
2018-19	**4390.69**	**2905.12**	**1.51**
2019-20	**2860.90**	**2720.02**	**1.05**
Mean	**5160.24**	**2621.79**	**2.04**
Standard deviation	**1144.16**	**435.87**	**0.67**
R= -0.0913			

Source: Compiled from annual reports of NALCO

The table-2 portrays that the quick assets of NALCO increased from Rs. 4264.72 crore in 2009-10 to Rs. 6546.62 crore in 2014-15. Thereafter, it started showing a declining trend and finally stood at Rs. 2860.90 crore in 2019-20. On the other hand, the current liabilities of the company showed a complete fluctuating trend during the study period. The mean value of quick assets and current liabilities of the company stood at Rs. 5160.24 crore and Rs. 2621.79 crore respectively. It is further observed from the table that there is a low degree of negative relationship between quick assets and current liabilities. The standard deviation reveals that the variation in quick assets is more than the current liabilities during the study period. The quick ratio of the company shows a complete fluctuating trend during the study period. The company witnessed a minimum quick ratio value of 1.05 in 2019-20 and maximum quick ratio value of 3.33 in 2014-15. The company, however, recorded an average quick ratio value of 2.04 during the study period. Considering the values of quick ratio, it can be noted that the liquidity position of the NALCO is highly satisfactory. In other words, the company maintains a high degree of short term solvency position during the study period.

Cash ratio: The following table depicts the cash ratio of NALCO during the period from 2009-10 to 2019-20.

Table-3: Cash ratio of NALCO

(Rs. in crore)

Year	Cash and equivalent	Current liabilities	Cash ratio (in times)
2009-10	3152.35	2219.93	1.42
2010-11	3795.23	2821.23	1.35
2011-12	4168.35	2676.89	1.56
2012-13	3504.38	3211.93	1.09
2013-14	4048.29	3242.75	1.25
2014-15	4627.98	1967.04	2.35
2015-16	5103.15	1981.95	2.57
2016-17	2287.23	2651.93	0.86
2017-18	2768.95	2440.93	1.13
2018-19	3496.35	2905.12	1.20
2019-20	1980.53	2720.02	0.73
Mean	3539.34	2621.79	1.41
Standard deviation	953.67	435.87	0.57
R= -0.2984			

Source: Compiled from annual reports of NALCO

It is observed from the table-3 that the cash and its equivalent of NALCO initially increased from Rs. 3152.35 crore in 2009-10 to Rs. 5103.15 crore in 2015-16 and thereafter, it started revealing a declining and fluctuating trend. Finally, it stood at Rs. 1980.53 crore in 2019-20. On the other hand, the current liabilities of the company showed a complete fluctuating trend during the study period. The mean value of cash and its equivalent and current liabilities of the company recorded at Rs. 3539.34 crore and Rs. 2621.79 crore respectively. The above table reveals that there is a low degree of negative relationship between cash and its equivalent and current liabilities. The standard deviation shows that the variation in cash and its equivalent is higher than the current liabilities during the study period. The cash ratio of the company also shows a complete fluctuating trend just like the current ratio and the quick ratio during the study period. The company, however, witnessed a minimum cash ratio value of 0.73 in 2019-20 and maximum cash ratio value of 2.57 in 2015-16. However, the company recorded an average cash ratio value of 1.41 during the study period. If we consider the values of cash ratio, it can be noted that too much of liquidity is maintained by the company in the form of cash and its equivalent. The same can be used in some alternative productive purpose so that the company can increase its profitability position.

Absolute liquidity ratio: The absolute liquidity ratio position of NALCO during the period from 2009-10 to 2019-20 is presented in the table-4.

Table-4: Absolute liquidity ratio of NALCO

(Rs. in crore)

Year	Absolute liquid assets	Current liabilities	Absolute liquidity ratio (in times)
2009-10	3152.35	2219.93	1.42
2010-11	5010.88	2821.23	1.78
2011-12	4921.59	2676.89	1.84
2012-13	4833.40	3211.93	1.50
2013-14	5292.29	3242.75	1.63
2014-15	5577.98	1967.04	2.84
2015-16	5169.15	1981.95	2.61
2016-17	3508.36	2651.93	1.32
2017-18	3361.91	2440.93	1.38
2018-19	3577.16	2905.12	1.23
2019-20	2035.54	2720.02	0.75
Mean	4221.87	2621.79	1.66

Standard deviation	**1138.27**	**435.87**	**0.60**
R= -0.0214			

Source: Compiled from annual reports of NALCO

It is noticed from the table-4 that the absolute liquid assets of NALCO depicted a complete fluctuating and declining trend during the study period. Similarly, the current liabilities of the company showed a complete fluctuating trend during the same period. The mean value of absolute liquid assets and current liabilities of the company were found to be Rs. 4221.87 crore and Rs. 2621.79 crore respectively. The above table further reveals that there is a low degree of negative relationship between absolute liquid assets and current liabilities. The standard deviation reveals that the variation in absolute liquid assets is higher than the current liabilities during the study period. The absolute liquidity ratio of the company also shows a complete fluctuating trend just like the other liquidity ratios discussed earlier. The company recorded a minimum absolute liquidity ratio value of 0.75 in 2019-20 and maximum absolute liquidity ratio value of 2.84 in 2014-15. However, the company posted an average absolute liquidity ratio value of 1.66 during the study period. If we consider the values of absolute liquidity ratio, it can be said that too much of liquidity is maintained by the company in the form of absolute liquid assets.

Working capital turnover ratio: The table-5 presents the working capital turnover ratio of NALCO during the period from 2009-10 to 2019-20.

Table-5: Working capital turnover ratio of NALCO

(Rs. in crore)

Year	Sales	Net working capital	Working capital turnover ratio (in times)
2009-10	**5184.73**	**2989.71**	**1.73**
2010-11	**6056.57**	**3983.85**	**1.52**
2011-12	**6611.00**	**4345.44**	**1.52**
2012-13	**6916.48**	**3863.88**	**1.79**
2013-14	**6780.85**	**4183.45**	**1.62**
2014-15	**7382.81**	**5745.14**	**1.29**
2015-16	**6816.96**	**5361.70**	**1.27**
2016-17	**7543.04**	**3003.86**	**2.51**
2017-18	**9509.45**	**3172.97**	**3.00**
2018-19	**11499.32**	**2695.58**	**4.27**
2019-20	**8471.84**	**1837.78**	**4.61**
Mean	**7524.82**	**3743.94**	**2.28**
Standard deviation	**1747.69**	**1158.62**	**1.19**
R= -0.3993			

Source: Compiled from annual reports of NALCO

It is observed from the table-5 that the sales of NALCO depicted a rising trend with decline in certain years during the study period. Similar trend is also observed in case of net working capital. The mean value of sales and net working capital of the company were found to be Rs. 7524.82 crore and Rs. 3743.94 crore respectively. The above table further reveals that there is a low degree of negative relationship between sales and net working capital. The standard deviation reveals that the variation in sales is higher than the net working capital during the study period. The working capital turnover ratio of the company shows two distinct trends during the study period i.e. a fluctuating trend in the earlier part and a rising trend in the later part of the study period. The company recorded a minimum working capital turnover ratio value of 1.27 in 2015-16 and maximum value of 4.61 in 2019-20. However, the company recorded an average working capital turnover ratio value of 2.28 during the study period. Considering the values of working capital turnover ratio, it can be inferred that except few years in the later part of the study period, the working capital turnover rate of the company remains at lower level. Hence, it is necessary to maintain the momentum that aroused during the later part of the study period.

9. Major findings of the study

The analysis reveals that the company maintains an average current ratio of 2.50 during the study period indicating a high degree of liquidity. Similarly, the average quick ratio of the company is 2.04 which is quite high. The cash ratio of the company is found to be 1.41 on an average during the study period. So far as absolute liquidity ratio is considered, it is found to be 1.66 on an average which is also stated to be at high end. Finally, the average working capital turnover ratio of the company is found to be 2.28 during the study period. Looking at the various liquidity ratios of NALCO, it can be inferred that the company is following the policy of maintaining high degree of liquidity. In other words, the short term solvency position is quite satisfactory.

10. Conclusion and suggestions

Liquidity is an important aspect of financial management and its efficient management will overcome any interruption in running the business organization. Further, for the very survival of business, the firm should have requisite degree of liquidity. It should be neither excessive nor inadequate. Excessive liquidity means accumulation of ideal funds which may lead to lower profitability, increase speculation, extension of liberal credit terms, liberal dividend policy etc. On the other hand, inadequate liquidity results in frequent interruptions of business operations. Hence, a proper balance between these two extreme situations should be maintained for efficient operation of business through proper liquidity management. In the case of liquidity position of NALCO, it is clearly visible that the company is maintaining too much liquidity. Therefore, the NALCO should maintain the ideal liquidity ratios which are not found in the study. It is suggested that the excess liquid funds could be utilized in some productive opportunities so as to gain more profitability for the company.

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Profitability Analysis: An Evaluation of Financial Performance of NALCO

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Abstract

Profitability is an important facet of financial management that reveals the financial performance of a business organisation. The main aspect in managing profitability is to generate and maintain sufficient return on investment in the business. This would help in ensuring smooth business operation and meet the short term and long term obligations as and when they become due. The objective of the present paper is to examine the profitability position of the NALCO Ltd., a central public sector undertaking. The data has been collected from the annual reports of the company and the study period is 11 years i.e. from 2009-10 to 2019-20. To evaluate the profitability position of the company, six profitability ratios namely gross profit margin, operating profit margin, net profit margin, return on capital employed, return on net worth and return on assets are calculated. The result reveals that except gross profit margin, other profitability ratios are found to be low indicating a moderate financial performance of the company during the study period. Hence, there is a need to control the various expenditures pertaining to materials, labour, overheads etc. so that it can contribute more to the profitability of the NALCO Ltd.

Key Words: Capital Employed, EBIT, NALCO, Net Worth, Profitability,

Introduction

Profitability is the profit earning ability which is a crucial factor that contributes to the very survival of the firm. The existence of a firm very much depends on the profit earning capacity of the concerned firm. It is also considered as one of the important factors that determine the image/reputation of a firm. Apart from this, the firm's borrowing capacity is also dependent by its earning power. Therefore, profitability is considered as one of the important factors in determining the capital structure of the firm. On the whole, profitability is the main indicator of the efficiency and effectiveness of a business organization in achieving its goal of earning profit (Khatik and Thakur, 2017). Analysis of the profitability reveals the profits position of a firm that resulted during the year. Profitability of a firm can be measured by the profitability ratios. These ratios are calculated from the financial statements to measure the financial performance. Basically, there are two approaches to measure the profitability. The first one is on the basis of sales revenue and the second one is on the basis of investment. In both the cases, the quantitative relationship is made. In the first case, profit is related to sales revenue where as in the second case, profit is related to investment. With the help of profitability ratios, the financial performance can be analyzed more clearly and financial decisions are taken up accordingly, from such analysis. Thus, Profitability analysis is not only helpful to the management in analyzing the past performance of the firm but also facilitates the management in planning the future projections.

Importance of the study

In today's competitive environment, every firm is highly concerned with its profitability position. Even now-a-days firms go for analyzing the profitability in terms of product, customer or location to know the operational efficiencies. One of the most frequently used tools to analyze the profitability is ratio analysis where a number of profitability ratios are used to ascertain the profitability position of a firm from different angles. Profitability measures are, therefore, important not only to company managers but also they are needed for owners, creditors, and future investors. Hence, the management has to constantly measure the profitability position to steer the business in the right direction. In this connection, the current research paper attempts to examine the profitability position of NALCO Ltd.

Statement of the problem

The primary objective of a business organization is to earn profit. Profit earning is not only essential for the survival/existence of the business but also needed for growth, expansion and diversification. Further, the investors want an adequate return on their investment. Similarly, the creditors, employees and others want their fair dues from the business organization. The firm can discharge its obligations to various stakeholders only by earning sufficient profit. It is needless to say that a firm can meet its obligations only when the concerned firm earns adequate amount of profit. In this connection, the analysis of profitability assumes greater importance because; it can reveal the financial strength and weakness as well as the overall operational and financial performance of the firm. Hence, through a careful analysis of its financial statements, the business organization can get such important information and accordingly, can take appropriate follow-up action for improving its competitive position in the marketplace. Keeping in view the above mentioned issues, the researchers have made an attempt to analyze the profitability position of National Aluminum Company Ltd., a central public sector undertaking.

Review of Literature

EIjeIIy (2004) made a study on liquidity and profitability trade-off on a sample of joint stock companies in Saudi Arabia. The aim of the study was to examine the relationship between liquidity and profitability through current ratio and cash gap (cash conversion cycle) by using correlation and regression analysis. The study indicated that the cash conversion cycle was more important measure of liquidity than the current ratio that affects profitability. Further, the study found that there was a negative relationship between indicators of liquidity and profitability in the Saudi sample companies.

Lazaridis and Tryfonidis (2006) in their paper investigated the relationship of corporate profitability and working capital management. They selected a sample of 131 companies listed in the Athens Stock Exchange and collected financial information of such companies for 5 years i.e. from 2001 to 2005. The purpose of the study is to examine whether there exists a statistically significant relationship between profitability and the cash conversion cycle and its components for sample firms. The results of the research paper showed that there is statistical significance between profitability measured through gross operating profit, and the cash conversion cycle. Moreover, they suggested that managers could create profits for their companies by managing effectively the cash conversion cycle and keeping each component of working capital such as accounts receivables, accounts payables, inventory, etc. to an optimum level.

Samiloglu and Demirgunes (2008) conducted a study on the effect of working capital management on profitability of companies listed at the Istanbul Stock exchange. They applied the multiple regression models to examine the effect of working capital on selected companies' profitability during the period from 1998 to 2007. The findings of the study revealed that accounts receivables period, inventory period and leverage affected profitability negatively whereas growth parameter (sales) affected profitability positively.

Moorthi and Ramesh (2012) carried out a study on the profitability analysis of selected steel companies in India. They selected SAIL, TATA steel, Bhusan steel, Visa steel and JSW steel as sample units for the study. The study period covered from 2005-06 to 2010-11. They collected the necessary information from the annual reports of the sample companies and calculated profitability related ratios of such companies. Further, they applied ANOVA, correlation analysis and t-test to analyze the result. The study found that the sample companies maintained more or less similar level of net profit and operating profit margin. The study concluded that there was no significant difference in Return on Investment of sample companies.

Koradia (2013) in his study on analysis of profitability of selected public sector oil companies examined profitability ratios such as gross profit ratio, operating profit ratio, net profit ratio and return on capital employed.. They selected three oil companies namely Bharat Petroleum Co. Ltd. (BPCL), Hindustan Petroleum Co. Ltd. (HPCL), and Indian Oil Co. Ltd. (IOCL) for the study. Further, the study period covered from 2001-02 to 2008-09. The study concluded that the profitability of the selected companies measured through gross profit ratio, operating profit ratio, net profit ratio and return on capital employed was satisfactory and adequate during the study period.

Mudaliar and Bhadauria (2014) carried out a comparative study to analyze the profitability of two multinational food and beverage companies namely Pepsico and Coca Cola. The study was based on 5 years financial data for the period from 2008 to 2012. The data was analyzed through profitability ratios namely gross profit ratio, operating profit ratio, net profit ratio, return on assets, earnings per share, etc. The t-test has been applied to find out any significant statistical difference in profitability ratios between Pepsico and Coca Cola. The study concluded that the Profitability position Coca-Cola is slightly in better position than its competitor i.e. Pepsico in spite of difference in business environment and market forces.

Umobong (2015) conducted a research study to assess the contribution of liquidity and profitability variables on the growth of profits in Nigerian pharmaceutical firms. The study period was confined to 3 years i.e. from 2011 to 2013. Data was collected from annual reports of the sample companies. Eight ratios namely acid test ratio, current ratio, net working capital ratio, return on assets, returns on capital employed, returns on equity, gross profit ratio and net profit ratio were regressed against the dependent variable i.e. growth of profit. Haussmann test was conducted to choose between fixed effect and random effects model. The test results indicated that there was significant contribution of all the variables to growth of profit of pharmaceutical companies in Nigeria. The study concluded that continuous improvement in the variables could lead to increase in growth of profit by the Pharmaceutical firms.

Dai (2016) investigated profitability position of 8 small and medium enterprises in Cimahi municipality. The analysis was done by calculating the profitability ratios from several aspects comprising asset, equity capital, sales, cost of goods sold, gross profit and net profit. The researcher calculated profitability ratios namely gross profit margin, net profit margin, return on assets, and return on equity. In this study, the financial performance evaluation of the selected firms is primarily based on profitability ratios such as gross profit margin, net profit margin, return on assets, and return on equity. The study observed that out of 8 firms the profitability position of Comring was found to be number one and it was followed by Bandrek Bajigur Hanjuang and Donat Madu Cihanjuang.

Desai (2018) in his research paper made an attempt to analyze the profitability aspect of FMCG companies in India. He selected 16 companies listed on BSE and NSE. The financial data were collected for the period of 10 years from 2004-2005 to 2013-2014 of the sample companies. He calculated 4 profitability ratios namely net profit ratio, EBIT ratio, return on capital employed and return on equity. Further, the researcher used various statistical techniques such as average, coefficient of correlation, coefficient of determination, trend analysis and Mann Kendal test for analysis and interpretation. The study revealed that there was efficient utilization of capital invested in the business of such sample companies. Further, the study indicated that the ROE ratio was found to be satisfactory from the return on their investment point of view.

Pushpalatha and Kumara (2019) carried out a study on profitability analysis in post-acquisition of Jaypee groups by Ultra Tech Cement. The objective of the paper is to investigate the profitability position of the sample unit after the acquisition. This study is limited to a period of 3 years i.e. from 2017 to 2019. A number of profitability ratios were calculated and used in the analysis. This study examined the profitability position with the application of statistical and financial tools namely t-test and ratio analysis. The study observed that the result of Ultra Tech cement in all profitability ratios showed a very good performance. Further, the study through simple t-test revealed that all ratios were significant except the debt equity ratio in the post-acquisition period.

Bale and Bevara (2020) conducted a study whose objective was to assess the Profitability and financial performance of ITC Pvt. Ltd. through selected financial ratios. The study is based on secondary data collected from annual reports of the ITC Pvt. Ltd. This study covered a period of five financial years i.e. from 2014-15 to 2018-19. Ratio analysis, Mean and Chi-square tests were used to analyze and interpret the data. The result of the study revealed that the profitability and overall financial performance of the ITC Pvt. Ltd. was good during the period of study. However, the study concluded that the company should make more initiatives to reduce its operating expenses to improve the gross profit margin.

Neupane (2020) conducted a comparative analysis on liquidity and profitability position of Shivam cement industry. The aim of the study is to find out the cause and effect relationship between liquidity and profitability of the said company. For this purpose, he collected 4 years data from the financial statements of the company. He used sales and net working capital as explanatory variables and profitability as dependent variable for this study. He used both the correlation analysis and regression analysis to analyze and interpret the data. The findings of the study revealed that there was positive and significant relationship between sales and profitability while there is insignificant positive relationship between net working capital and profitability.

Objective and scope of the study

The present research work has been carried out on the profitability evaluation of NALCO. For this urpose, the following objectives are framed for the study.

1. To examine the profitability position of the NALCO
2. To ascertain the overall financial performance of the NALCO
3. To find out the areas of weakness in profitability management and offer suggestions for improvement, if any.

Further, the scope of the present study is limited to the profitability analysis of NALCO only. In other words, other aspects like liquidity, solvency etc. is not included in the purview of this study**.**

Methodology for the study

The following methodology has been followed to carry out the current research work.

Data Collection: The data for the study has been collected mainly from the secondary sources i.e. annual reports of NALCO. The important components from balance sheet and profit and loss statement were extracted from the annual reports and then relevant profitability ratios were calculated for the analysis and interpretation.

Period of the study: The period of study is 11 years i.e. from 2009-10 to 2019-20. The researchers consider that a minimum of 10 years or more continues data is necessary to determine the trend and behavior of profitability position of NALCO with high degree of accuracy.

Sample Size: The sample size for this study is only one company i.e. NALCO. This company has been selected to carry out the research work since the sample unit is an age old company and the company has been generating profit continuously over a period of time.

Tools and Techniques used for the study: In this study, ratio analysis technique has been mainly used for data analysis. To study the profitability position of NALCO, profitability ratios are calculated and used in this study. Apart from this, trend analysis, mean, standard deviation and correlation analysis are also used to analyze the data.

Conceptual framework on the parameters used for profitability analysis

In order to examine the profitability position of the NALCO, the following profitability ratios are selected and the importance of such ratios is summarized below.

Gross profit ratio: Gross profit ratio is a profitability ratio that measures the relationship between the gross profit and sales revenue. When it is expressed as a percentage, it is also known as the Gross Profit Margin. This ratio looks at how well a company controls the cost of its inventory and the manufacturing of its products and subsequently passes on the costs to its customers. The larger the gross profit margin, the better for the company. A fluctuating gross profit ratio is indicative of inferior product or management practices. The formula for gross profit ratio is mentioned below.

Gross profit ratio = Gross profit/ Sales revenue*100

Operating profit ratio: Operating profit ratio is a type of profitability ratio that is used for determining the operating profit/net revenue generated from the operations. The operating profit is usually called earnings before interest and taxes. The operating profit margin is EBIT as a percentage of sales revenue. It is a measure of company's overall operating efficiency. It differs from the gross profit margin by further subtracting the expenses of ordinary, daily business activity from sales revenue. The formula for calculating operating profit ratio is stated below.

Operating profit ratio = EBIT/sales revenue*100

Net profit ratio: Net profit ratio is an important profitability ratio that shows the relationship between net profit after tax and sales revenue. When expressed as percentage, it is known as net profit margin. When doing a simple profitability ratio analysis, the net profit margin is the most often margin ratio used by the analysts. The net profit margin shows how much of each rupee sales remains as net income after all expenses are paid. The net profit margin measures profitability after consideration of all expenses including taxes, interest, and depreciation. It helps investors in determining whether the company's management is able to generate profit from the sales and how well the operating costs and costs related to overhead are contained. The formula for net profit ratio is mentioned below.

Net profit ratio = Net profit after tax/ Sales revenue*100

Return on capital employed: Return on capital employed is a profitability ratio that measures how well a company is able to generate profits from its capital. It is an important ratio that is mostly used by investors while screening out the companies to invest. The higher percentage means the company is doing a good job using its assets to generate more revenue. The formula for calculating return on capital employed is as follows.

Return on capital employed= EBIT/Capital employed*100

Return on net worth: This is also known as Return on Shareholders' funds and is used for determining whether the investment made by the shareholders are able to generate profitable returns or not. It should always be higher than the return on investment which otherwise would indicate that the company funds are not utilized properly. The formula for return on net worth is calculated as follows.

Return on net worth = Earnings after tax / Shareholders' Funds*100

(Here shareholders fund means equity capital plus reserves and surplus)

Return on total assets: The return on assets ratio is an important profitability ratio because it measures the efficiency with which the company is managing its investment in assets and using them to generate profit. It measures the amount of profit earned relative to the firm's level of investment in total assets. The higher percentage means the company is doing a good job using its assets to generate sales. The calculation for the return on assets ratio is as follows.

Return on assets= Earnings after tax / Total assets*100

Analysis and interpretation of data

Keeping in view the objectives of the study, the analysis and interpretation of the data has been worked out and they are presented below.

Gross profit ratio: In order to test the profitability position of NALCO, the gross profit ratio for a period of 11 years i.e. from 2009-10 to 2019-20 has been calculated and presented in table-1.

Table-1: Gross profit ratio of NALCO

(Rs. in crore)

Year	Gross profit	Sales revenue	Gross profit ratio (%)
2009-10	2692.76	5538.09	48.62
2010-11	3878.38	6409.97	60.51
2011-12	3925.70	7153.16	54.88
2012-13	3827.43	7427.53	51.53
2013-14	4257.73	7338.56	58.02
2014-15	5221.62	8055.45	64.82
2015-16	4453.07	7422.09	59.99
2016-17	4326.56	7951.31	54.41
2017-18	5319.47	9809.10	54.23
2018-19	6663.83	11825.19	56.35
2019-20	3784.67	8744.42	43.28
Mean	4395.57	7970.44	55.15
SD	1038.64	1698.84	5.95
R=0.89			

Source: Compiled from the annual reports of NALCO Ltd.

It is observed from the table-1 that the gross profit of NALCO depicted an initial rising trend but later on showed a fluctuating trend till the end of the study period. The gross profit of the company was Rs. 2692.76 crore in 2009-10 but it stood at Rs. 3784.67 crore in 2019-20. The sales revenue of NALCO also depicted a rising trend in the initial years but showed a fluctuating trend in remaining part of the study period. The mean value of gross profit and sales revenue of the company were found to be Rs. 4395.57 crore and Rs. 7970. 44 crore respectively. The above table further reveals that there is a high degree of positive relationship between gross profit and sales revenue. The standard deviation reveals that the variation in sales revenue is higher than the gross profit during the study period. The gross profit ratio of the company shows a complete erratic trend during the study period. The company recorded a minimum gross profit ratio value of 43.28 in 2019-20 and maximum value of 64.82 in 2014-15. However, the company recorded an average gross profit ratio value of 55.15 during the study period. Considering the values of gross profit ratio, it can be inferred that the company could not maintain a consistency in the gross profit margin. Hence, it is necessary to maintain a satisfactory level of gross profit margin by controlling the material, labor and overhead costs.

Operating profit ratio: The operating profit ratio for a period of 11 years i.e. from 2009-10 to 2019-20 has been calculated and presented in table-2.

Table-2: Operating profit ratio of NALCO

(Rs. in crore)

Year	Operating profit	Sales revenue	Operating profit ratio (%)
2009-10	1143.15	5538.09	20.64
2010-11	1523.83	6409.97	23.77
2011-12	1197.75	7153.16	16.74
2012-13	905.04	7427.53	12.18
2013-14	917.81	7338.56	12.51
2014-15	2113.42	8055.45	26.24
2015-16	1188.65	7422.09	16.02
2016-17	964.72	7951.31	12.13
2017-18	2038.83	9809.10	20.79
2018-19	2739.92	11825.19	23.17
2019-20	226.24	8744.42	2.59
Mean	1359.94	7970.44	16.98
SD	700.45	1698.84	6.88
R=0.57			

Source: Compiled from the annual reports of NALCO Ltd.

The table-2 reveals the operating profit of NALCO with a complete erratic trend during the study period. The operating profit of the company was Rs. 1143.15 crore in 2009-10 but same remained at Rs. 226.24 crore in 2019-20. On the other hand, the sales revenue of NALCO shows a rising trend in the initial years followed by a fluctuating trend in remaining part of the study period. The mean values of operating profit and sales revenue of the company were found to be Rs. 1359.94 crore and Rs. 7970. 44 crore respectively. The table further reveals that there is a moderate degree of positive relationship between operating profit and sales revenue. The standard deviation shows more variation in sales revenue than the operating profit during the study period. The operating profit ratio of the company shows a complete erratic trend during the study period. The company recorded a minimum operating profit ratio value of 2.59 in 2019-20 and maximum value of 26.24 in 2014-15. However, the company recorded an average operating profit ratio value of 16.98 during the study period. Keeping in view the values of operating profit ratio, it can be concluded that the company could not maintain a consistency in the operating profit margin. Therefore, it is necessary to maintain a good operating profit margin by controlling the operating expenses.

Net profit ratio: To test the profitability position of NALCO, another ratio i.e. the net profit ratio for a period of 11 years i.e. from 2009-10 to 2019-20 has been calculated and presented in table-3.

Table-3: Net profit ratio of NALCO

(Rs. in crore)

Year	Net profit after tax	Sales	Net profit ratio (%)
2009-10	814.22	5538.09	14.70
2010-11	1,069.30	6409.97	16.68
2011-12	849.50	7153.16	11.88
2012-13	592.83	7427.53	7.98
2013-14	642.35	7338.56	8.75
2014-15	1321.85	8055.45	16.41
2015-16	787.11	7422.09	10.60
2016-17	668.53	7951.31	8.41
2017-18	1342.41	9809.10	13.69
2018-19	1732.40	11825.19	14.65
2019-20	138.23	8744.42	1.58
Mean	905.34	7970.44	11.39
SD	437.29	1698.84	4.52
R=0.52			

Source: Compiled from the annual reports of NALCO Ltd.

It is observed from the table-3 that the net profit of NALCO revealed a complete erratic trend during the study period. The net profit of the company was Rs. 814.22 crore in 2009-10 but after revealing a fluctuating trend finally remained at Rs. 138.23 crore in 2019-20. On the other hand, the sales revenue of NALCO depicted a rising trend in the initial years but showed a fluctuating trend in remaining part of the study period. The mean values of net profit and sales revenue of the company were found to be Rs. 905.34 crore and Rs. 7970. 44 crore respectively. The table further reveals that there is a moderate degree of positive relationship between net profit and sales revenue. The standard deviation shows that the variation in sales revenue is higher than the net profit during the study period. The net profit ratio of the company depicts a complete erratic trend during the study period. The company recorded a minimum net profit ratio value of 1.58 in 2019-20 and maximum value of 16.68 in 2010-11. However, the company recorded an average net profit ratio value of 11.39 during the study period. On the basis of the values of net profit ratio, it can be stated that the company could not keep a uniformity in the net profit margin. Therefore, it is needed to maintain a satisfactory net profit margin by controlling the selling and distribution expenses.

Return on capital employed ratio: The return on capital employed ratio for a period of 11 years i.e. from 2009-10 to 2019-20 has been calculated and presented in table-4.

Table-4: Return on capital employed ratio of NALCO

(Rs. in crore)

Year	EBIT	Capital employed	Return on capital employed ratio (%)
2009-10	1143.15	11179.95	10.23
2010-11	1523.83	12127.67	12.56
2011-12	1197.75	12843.89	9.33
2012-13	905.04	13115.02	6.90
2013-14	917.81	13305.76	6.89
2014-15	2113.42	14210.63	14.87
2015-16	1188.65	14696.84	8.09
2016-17	964.72	11798.83	8.18
2017-18	2038.83	12083.48	16.87
2018-19	2739.92	12203.04	22.45
2019-20	226.24	11580.06	1.95
Mean	1359.94	12649.56	10.76
SD	700.45	1101.49	5.64
R=0.14			

Source: Compiled from the annual reports of NALCO Ltd.

It is seen from the table-4 that the EBIT of NALCO depicted a complete erratic trend except last two years of the study period. The operating profit of the company was Rs. 1143.15 crore in 2009-10 but after revealing a fluctuating trend finally stood at Rs. 226.24 crore in 2019-20. On the other hand, the capital employed of NALCO depicted a rising trend up to 2015-16 but then showed a declining and fluctuating trend in the remaining part of the study period. The mean values of EBIT and capital employed of the company were found to be Rs. 1359.94 crore and Rs. 12649.56 crore respectively. The table further reveals that there is a low degree of positive relationship between EBIT and capital employed. The standard deviation reveals that the variation in capital employed is higher than the EBIT during the study period. The return on capital employed ratio of the company shows a complete erratic trend during the study period. The company recorded a minimum return on capital employed ratio value of 1.95 in 2019-20 and maximum value of 22.45 in 2018-19. However, the company recorded an average return on capital employed ratio value of 10.76 during the study period. On the basis of the values of return on capital employed ratio, it can be concluded that the company could not maintain a uniformity in the return on capital employed. Therefore, it is necessary to generate a good return on capital employed by utilizing the capital resources efficiently.

Table-5: Return on net worth ratio of NALCO

(Rs. in crore)

Year	Net profit after tax	Net worth	Return on net worth ratio (%)
2009-10	814.22	10395.58	7.83
2010-11	1069.30	11164.61	9.58
2011-12	849.50	11715.08	7.25
2012-13	592.83	11932.45	4.97
2013-14	642.35	12122.45	5.30
2014-15	1321.85	12797.30	10.33
2015-16	787.11	13194.75	5.97
2016-17	668.53	10205.79	6.55
2017-18	1342.41	10504.81	12.78
2018-19	1732.40	10484.51	16.52
2019-20	138.23	9988.07	1.38
Mean	905.34	11318.67	8.04
SD	437.29	1101.32	4.13
R=0.06			

Source: Compiled from the annual reports of NALCO Ltd.

The table-5 shows the net profit of NALCO which indicates a complete erratic trend during the study period. The net profit of the company was Rs. 814.22 crore in 2009-10 but after revealing a fluctuating trend finally remained at Rs. 138.23 crore in 2019-20. On the other hand, the net worth of NALCO depicted a rising trend up to 2015-16 but then showed a declining and fluctuating trend in the remaining part of the study period. The mean values of net profit and net worth of the company were found to be Rs. 905.34 crore and Rs. 11318.67 crore respectively. The table further reveals that there is a very low degree of positive relationship between net profit and net worth. The standard deviation shows more variation in net worth than the net profit during the study period. The return on net worth ratio of the company shows a complete erratic trend during the study period. The company recorded a minimum return on net worth ratio value of 1.38 in 2019-20 and maximum value of 16.52 in 2018-19. However, the company recorded an average return on net worth ratio value of 8.04 during the study period. Looking at the values of return on net worth ratio, it can be inferred that the company could not maintain a stability in the return on net worth. Hence, it is essential to maintain a good return on net worth by utilizing the capital and internal resources like reserves and surpluses in profitable opportunities.

Table-6: Return on total assets ratio of NALCO

(Rs. in crore)

Year	Net profit after tax	Total assets	Return on assets ratio (%)
2009-10	814.22	13399.88	6.08
2010-11	1069.30	14,948.90	7.15
2011-12	849.50	15,520.78	5.47
2012-13	592.83	16,326.95	3.63
2013-14	642.35	16,548.51	3.88
2014-15	1321.85	16,177.67	8.17
2015-16	787.11	16,678.79	4.72
2016-17	668.53	14,450.30	4.63
2017-18	1342.41	14,524.41	9.24
2018-19	1732.40	15,108.16	11.47
2019-20	138.23	14,300.08	0.97
Mean	905.32	15271.31	5.95
SD	437.29	1068.57	2.93
R=0.03			

Source: Compiled from the annual reports of NALCO Ltd.

It is revealed from the table-6 that the net profit of NALCO depicted a complete erratic trend during the study period. The net profit of the company was Rs. 814.22 crore in 2009-10 but after revealing a fluctuating trend finally it remained at Rs. 138.23 crore in 2019-20. On the other hand, the total assets of NALCO depicted a rising trend up to 2015-16 but then showed a declining and fluctuating trend in the remaining part of the study period. The mean values of net profit and total assets of the company were found to be Rs. 905.34 crore and Rs. 15271.31 crore respectively. The table further reveals that there is a very low degree of positive relationship between net profit and total assets. The standard deviation reveals that the variation in total assets is higher than the net profit during the study period. The return on total assets ratio of the company shows a complete erratic trend during the study period. The company recorded a minimum return on total assets ratio value of 0.97 in 2019-20 and maximum value of 11.47 in 2018-19. However, the company recorded an average return on total assets ratio value of 5.95 during the study period. On the basis of the values of return on total assets ratio, it can be concluded that the company could not maintain a uniformity in the return on total assets. Hence, it is necessary to maintain a good return on total assets by utilizing the assets efficiently.

Findings of the study

The foregoing analysis reveals that the company maintains an average gross profit ratio of 55.15% during the study period indicating a satisfactory level of gross profit margin. Similarly, the average operating profit ratio of the company is 16.98% which is not satisfactory. On the other hand, the net profit ratio of the company is found to be 11.39% on an average during the study period. So far as return on capital employed ratio is considered, it is found to be 10.76% on an average which is considered to be at moderate level. On the other hand, the average return on net worth ratio of the company is 8.04% during the study period. Finally, the average return on total assets ratio of the company is found to be 5.95% during the study period. Looking at the various profitability ratios of NALCO, it can be inferred that the company's profitability position is not satisfactory which needs further enhancement.

Conclusion and suggestions

Profitability is an important aspect of financial management and its efficient management and monitoring will keep the firm in a better position in the competitive environment. Moreover, for the very survival, growth and expansion of the firm, a sufficient profitability position should be maintained. At the same time, attention should also be paid towards the liquidity position of the firm. In other words, high profitability position should not be maintained at the cost of liquidity. In the case of profitability position of NALCO, it is clearly noticeable that the company is not earning more as revealed from operating profit margin and net profit margin. Therefore, the NALCO should control the unnecessary expenses to enhance its profitability position and maintain a fair return on its capital.

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Role of Social Media in Employer Branding—A Study on Selected Engineering Colleges (Private) in Bhubaneswar

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Abstract

As social media is playing a transforming role among people around the world by facilitating a platform to share their feelings, memories, and happiness. Thus, we find the popularity of websites like Facebook and Twitter growing manifold. Even the corporate has been impacted by social media so much so that it acts as an opportunity for employer branding. Apart from that social media (like LinkedIn, Facebook, and Twitter) has also emerged as a new method of recruitment which is followed by most reputed IT enabled services (ITES) companies, institution, life insurance, hospital, etc. This paper explores the possibility of using social media by educational institutions for sourcing its employees, especially the professionals. The main purpose of this survey is to investigate thoroughly whether institutions are using branding in their recruitment process and how employer branding impacts the recruitment and retaining process in the engineering institutions and colleges of Bhubaneswar .

Keywords

Social media **Facebook** **LinkedIn** **Recruitment**

Employer branding

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It is hereby I have declared that all the information related to my survey is valid and ethical, which is collected by the authorized person on the institutions. Here, I have mentioned the details of all authorized persons in a simple manner:

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Role of Financial Services in Economic Development: A Quantitative Investigation

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ABSTRACT

Globally, there is a diversity of perspectives on financial inclusivity. Because the demand for financial services differs from person to person as well as nation to nation. However, the vast bulk of scientists as well as intellectuals believe that 'financial inclusion is the widespread accessibility of all financial services to all underprivileged individuals at an economical pricing, predictive capacity, as well as sufficient dosage, as well as which should also be obtainable in appropriate procedures'; as well as 'financial inclusion includes the easy access of all individuals to the minimal level basic financial services'. The study's key components are the determinants as well as consequences of financial inclusiveness. The modern socioeconomic development ideology is based on widespread significant exposure to financial services, primarily for two reasons: (i)a large conceptual framework as well as literature review demonstrating the significance of a strong banking sector to support economic growth as well as poverty amelioration; as well as (ii)access to financial services, which can be viewed as a public good empowering involvement in the perks of a modern, market-based economy, in a comparable manner as is the case with education. As a result, financial inclusion/exclusion is seen as critical in terms of building a theoretical foundation as well as recognizing the fundamental reasons that contribute to a low degree of access to the financial sector. Sample of 271 people working in different financial services were considered to take participate in the survey of present study to know the role and significance of financial services in economic development. It is found that there is a significant role of financial services in economic development.

Keywords*:* Financial Services, Economic Development, Financial Inclusion, Productive Investments, Financial Intermediary.

Introduction

Finance is the paid financing of capital between various sectors of the economy, giving capital support to industrial upgrading as well as economic reorganisation, and serving as a crucial cornerstone for the market economy's long-term development. The interaction between economics and finance is getting increasingly intimate, as well as the concentration of wealth of the economy has become an inexorable tendency in the process of socio - economic growth. Intellectuals have always been interested in the subject of economic growth, as well as with the advent of the period of economic globalisation and the information economy, it is becoming extremely relevant to investigate the link between financial expansion as well as economic development.

According to **Sutton & Jenkins (2007)**, in a modernized democracy, economic growth is dependent on an effective financial sector that aggregates domestic savings as well as mobilises foreign capital for productive investments. Profitable efforts will go unutilized unless an adequate set of finance Institutions have been established. Ineffective financial firms will have the impact of punishing profitable investment, restricting the potential to grow the stock of competing equipment worldwide. As a result, there is a large drop in development in comparison to what would have been feasible with suitable regulations as well as market arrangements. Banking in India is of utmost importance. A study conducted in Haryana identified that rural people look for safety of funds even more than any other service parameter of banking **(Gupta and Mittal, 2008).**

Gurley & Shaw (1955) researched and concluded that the new knowledge of finance's relevance to economic improvement constitutes a substantial advance over prior models that depended solely on technological progress as the fundamental engine of growth. The current platform of economic success demonstrates that growth may be self-sustaining in the absence of technical innovation. Beneficial spill over connected with productive investments on the rest of the economy are the primary growth strategies. Externalities are benefits or costs that individuals or businesses do not get or endure. Since the concept of externalities not only explains the function of financial intermediation in producing economic growth, but also presents a possible role for government to play in the growing process.

Jung (1986) examined and stated that the phrase "financial exclusion" was first used to highlight the restricted accessibility to bank branches with the purpose of liberalising the financial sector. Along with supply-side issues, demand-side factors have a substantial influence on the amount of financial inclusion. If a significant section of the population is poor, there will be less demand for financial services since there would be no or little funds to deposit in banks. Likewise, sluggish or low development, which leads to little investment activity, leads to low demand for loans from banks as well as other formal financial organisations. Saving serves to reduce poverty as well as transfer people into better income levels, which increases demand for financial services for both saving as well as investing.

Literature Review

According to **Spears (1991)**, industries, markets, as well as enterprises rely on financial services to perform operations as well as enable trade. Obviously, the financial services sector plays a crucial role part in every nation's socioeconomic development. Furthermore, it plays a significant role in promoting financial inclusion. Such programmes are especially important for the poor and those living in poverty, as inclusion is the key to a better life. Fintech also plays an important role here, since digitization of services has provided underprivileged groups of society with accessibility to financial services that were previously unavailable to them.

Anwar & Nguyen (2011) investigated and stated that in many jurisdictions, the private financial sector controls a growing percentage of the market. With state banks being a minority, most of the industry is ill equipped to meet key financial criteria. For example, inadequate credit expansion generates a financing gap, and even when savings are sufficient, the system is not able to employ them effectively. This is where privatisation comes into play. Support mechanisms can be implemented with significant capital investment to better cater to credit demands and therefore decrease fiscal vulnerability.

Bilan, et al. (2019) examined and concluded that the financial system is critical to a nation's economic success. Financial systems finance companies as well as enterprises, resulting in more employment and, as a result, increased economic activities as well as domestic commerce. Financial intermediary contribute to increased investment effectiveness, which leads to increased growth in the economy. The financial system facilitates the kinaesthetic awareness of savings as well as investments in the economy. Financial institutions, such as banks, play an important role here. They enable depositors to put money in various deposits such as FDs as well as RDs by giving competitive interest rates. These funds are subsequently channelled by banks into loans for various commercial organisations involved in manufacturing and distribution. Banks aid in the distribution of resources among the economy's many sectors.

Jung (1986) conducted research and concluded that financial services are critical to economic growth as well as advancement. Banking, savings as well as investment, insurance, and debt and equity financing assist individual persons in saving money, protecting against uncertainties, as well as building credit, while allowing companies to start up, extend, maximize productivity, as well as engage in local as well as worldwide markets. For the poor, these services minimise vulnerabilities as well as empower individuals to manage the assets they have in ways that provide income as well as possibilities, so generating pathways out of hardship. Subsequently Paul, Mittal and Srivastav (2016) found that knowledge of product attracts the customers towards banks but unnecessary greetings etc is not liked by customers because they feel that in private banks, if a salesperson is greeting much, he/she would offer the product.

Berthelemy and Varoudakis (1996) examined and concluded that the financial services industry, which includes merchant banks, credit card firms, stock brokerages, as well as insurance firms, is the biggest in the world in terms of profitability. The primary focus of this research is on big domestic as well as global commercial banks. These huge enterprises have the competence, reputation, and geographic reach to have a substantial direct influence as well as to transform the whole markets work via involvement as well as precedent. They are employing more purposeful efforts to broaden economic opportunities through business models that employ as clientele impoverished persons as well as SMEs. They are also establishing efforts to strengthen human as well as organizational capacities, as well as using their knowledge and advantage to influence legislative framework in the places where they operate.

Adelakun (2010) researched and determined that financial services organisations have typically given little consideration to the poor since the poor, by necessity, have few assets. Casualness, a lack of knowledge, an inadequate infrastructure, as well as other impediments have strengthened the perception that servicing the poor cannot be financially successful, let alone a generator of innovation. Emerging, lower-cost economic models have begun to question this assumption, focusing on technological breakthroughs and the use of current retail channels, for example.

According to **Ibrahim (2007)**, financial services assist the poor in reducing vulnerability as well as managing their assets in ways that produce income and possibilities. Perhaps the most substantial contribution banks can make to broadening employment prosperity is to find ways to make financial services accessible to low-income individual people, business owners, as well as small businessperson through inclusive marketing strategies that are financially sustainable as well as thus offer the possibility for sustainable development as well as extent.

Bloch & Tang (2003) researched and said that the Role of Financial Services in Society project intends to assess the influence of fast development in technology-enabled development on the financial system's risk tolerance. The financial services business exists to provide a variety of fundamental social demands, ranging from payment facilitation to financial as well as economic resiliency. The financial sector has managed to embrace the advantages of technology more deliberately as well as profit on the opportunities it affords. This has aided in the acceleration of fast development, which is revolutionising the financial sector like never before. Service quality is the most important factor in banking. Be it any area, the quality has to be maintained otherwise customers would switch to another bank. Banks must maintain all the broad components of the service quality **(Srivastav and Mittal, 2016).**

Redmond and Nasir (2020) analysed and asserted that the financial system is at a crossroads. Over the last several decades, there has been substantial industry consolidation as well as the establishment of fundamentally significant financial institutions. Furthermore, technological advancements, regulatory uncertainty, as well as the present socioeconomic situation have acted as catalysts for new entrants and have begun a trend of entrenched decentralisation. Conventional financial institutions no longer sustain the whole value chain, thereby creating a struggle for end-user sovereignty. The employment of technology in finance is not new, nor are many of the goods as well as services supplied by new entrants.

According to **Ahmed & Ansari (1998)**, technological advances, ranging from cryptocurrencies to marketplace lending as well as big data solutions, hold enormous potential for a more effective as well as democratic financial system. Simultaneously, by generating new markets as well as eroding the lines between financial services as well as related sectors, technology-enabled innovations introduce new hazards to the financial system, both behavioural as well as regulatory, and have consequences for human capital. Risk management and opportunity maximisation are critical for sustaining society's faith in the financial system and achieving the maximum capabilities of technology-enabled breakthroughs as they acquire size over time.

Spears (1992) examined and concluded that innovation drives economic growth and is a primary driver of business model change. Similarly, to other industries, good economic impact innovation should be promoted to prosper, while less viable enterprises should be permitted to fail. The long-term success of incumbent players as well as new entrants who use technology-enabled innovation is dependent on retaining public trust and avoiding growing threats. This necessitates public-private collaboration across all system actors. Based on the research findings of the interviews, they have presented a number of proposals for the private sector and financial regulators aimed at ensuring monetary sustainability as well as supporting technology-enabled development.

Patrick (1966) researched and concluded that the availability of financial services enables a nation to improve its economic position, leading in improved output as well as economic growth in all areas. The advantage of economic expansion is reflected in the form of economic prosperity, in which the person enjoys a greater quality of living. It is here that financial services enable a person to acquire or receive numerous customer items via hire purchase. A number of financial institutions profit because of this approach. The presence of these financial institutions encourages investment, manufacturing, and saving, among other things. The availability of financial services increases demand for items, as well as the manufacturer increases investment to match customer demand. At this point, the financial services industry comes to the aid of the investor, such as a merchant banker, via the fresh issue market, allowing the manufacturer to raise funds. Advertising in the mass media is the most effective promotional method in the context of banking for mass reach. However, when it comes to the most convincing method, then personal selling leads the promotional methods. Banking customers have started liking the cash backs and sales promotion schemes to a large extent **(Gupta and Mittal, 2012).**

Kim, et al. (2018) reviewed and indicated that financial services such as mutual funds offer several opportunities for various sorts of saving. Indeed, several sorts of investment possibilities are made available for the benefit of retirees as well as the elderly, so that they can be assured of a good return on investment with little risks. Numerous reinvestment alternatives are available to consumers who want to expand their money. The government's regulations manage the functioning of numerous financial services in such a manner that the public's interests are served by these financial organizations are well-protected. The establishment of insurance firms decreases the risks associated with both financial services as well as manufacturers.

Objective

1. To know the factors that determines the role of financial services in economic development.
2. To know the significance of financial services in economic development.

Research Methodology

Sample of 271 people working in different financial services were considered to take participate in the survey of present study. Structure questionnaire was used to know the role and significance of financial services in economic development. The primary data for this quantitative investigation was collected through “random sampling method” and the “exploratory factor analysis” was used to analyse and evaluate the data.

Findings

Table 1 is showing demographic details of the respondents. It is observed that total 271 people were surveyed that includes male (60.2%) and female (39.8%). The respondents are of different age groups like Below 32 yrs (29.9%), 32-47 yrs (35.8%) and rest (34.3%) are above 47 yrs of age. 15.1% of the respondents are from the company that offers financial services as mutual funds, 19.2% are from banking sector, 18.1% from insurance companies, 24.7% in stock market, 14.4% are into wealth management financial services and rest 8.5% provides some other financial services.

Table 1 Demographic Details

Variable	Respondent	Total Percentage
Gender		
Male	163	60.2
Female	108	39.8
Total	**271**	**100**
Age profile		
Below 32 years	81	29.9
32-47 years	97	35.8
Above 47 years	93	34.3
Total	**271**	**100**
Occupational Sector		
Mutual Funds	41	15.1
Banking	52	19.2
Insurance	49	18.1
Stock market	67	24.7
Wealth management	39	14.4
Others	23	8.5
Total	**271**	**100**

“Exploratory Factor Analysis”

“Table 2 KMO and Bartlett's Test”

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.879
Bartlett's Test of Sphericity	Approx. Chi-Square	3638.649
	df	120
	Sig.	.000

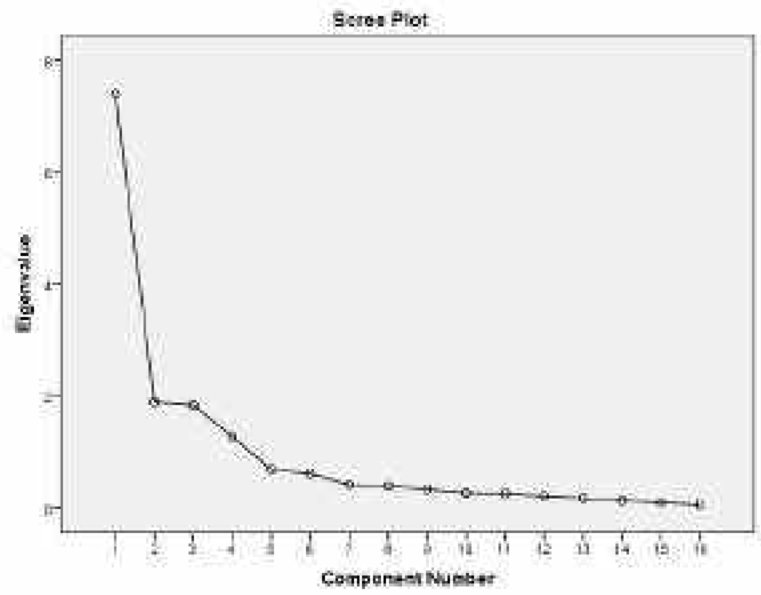
In the table above (Table 2) KMO measure of sampling adequacy is found to be .879 and the value in the significant is below 0.05.

“Table 3 Total Variance Explained”

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.400	46.252	46.252	4.076	**25.474**	25.474
2	1.897	11.853	58.105	3.115	**19.467**	44.941
3	1.840	11.500	69.605	3.003	**18.771**	63.712
4	1.276	7.972	77.577	2.218	**13.865**	**77.577**
5	.685	4.282	81.859			
6	.609	3.807	85.666			
7	.415	2.594	88.260			

8	.387	2.420	90.680			
9	.328	2.047	92.727			
10	.261	1.634	94.361			
11	.252	1.574	95.935			
12	.207	1.292	97.227			
13	.170	1.062	98.289			
14	.130	.811	99.100			
15	.094	.585	99.685			
16	.050	.315	100.000			

"Total Variance Explained" is demonstrated in table above (Table 3) where % of variance from factor 1-4 is shown as 25.474, 19.467, 18.771 and 13.865 percent respectively and all the four factors explain total 77.577 percent of the variance.



"Figure 1 Scree Plot"

Scree plot (Figure 1) is the graphical presentation of the Eigen value found from "Total Variance Explained" (table 3). An elbow at 4 components is shown in scree plot which depicts that total 4 Factors have been extracted.

"Table 4 Factors, Factor Loading and Factor Reliability"

S. No.	Statements	Factor Loading	Factor Reliability
	Economy growth and balance		.952
1.	Financial services help to diversify the capital market	.855	
2.	Encourages different sectors for investment	.843	
3.	Facilitates the market to grow	.842	
4.	Support government and private sector to balance the economy in sudden situation of loss	.828	
5.	Provide credit and loan to support the economy development	.794	
	Entrepreneurship		.896
6.	Financial services provide fund for entrepreneurs	.895	
7.	Encourage investor to invest in new venture of entrepreneurs	.888	
8.	Facilitate new ideas of entrepreneur	.757	

9.	Promotes financial training and business management training for entrepreneurs	.706	
	Infrastructure and Business growth		.878
10.	Provides "financial assistance and guaranteeing losses" to new business	.861	
11.	Offers loans for business to expand and grow	.839	
12.	Encourage private sectors to invest in infrastructure companies	.834	
13.	Connects people with different segments of business and infrastructure through financial services	.675	
	Employment		.760
14.	Creates different kind of jobs in different sectors	.855	
15.	Employ people on different finance sectors as per their skills (management, accounting, IT etc.)	.800	
16.	Finance companies hire skilled talents for their work	.741	

Development of the factors

Economy growth and balance is the first factor that include the variables like financial services help to diversify the capital market, encourages different sectors for investment, Facilitates the market to grow, Support government and private sector to balance the economy in sudden situation of loss and Provide credit and loan to support the economy development. Second factor is named as Entrepreneurship which consist of variable like financial services provide fund for entrepreneurs, encourage investor to invest in new venture of entrepreneurs, facilitate new ideas of entrepreneur and promotes financial training and business management training for entrepreneurs. The third factor is named as Infrastructure and Business growth which includes the variables like Provides "financial assistance and guaranteeing losses" to new business, offers loans for business to expand and grow, encourage private sectors to invest in infrastructure companies and Connects people with different segments of business and infrastructure through financial services. Fourth and the last factor is Employment which consist of variables like Creates different kind of jobs in different sectors, employ people on different finance sectors as per their skills (management, accounting, IT etc.) and Finance companies hire skilled talents for their work.

Reliability of the factors

"Table 5 Reliability Statistics"

Cronbach's Alpha	N of Items
.913	16

Factor wise (1-4) reliability is shown in table 4 above as .952, .896, .878 and .760 respectively and total reliability statistics (table 5) is shown above which says that total reliability of all the 16 items is .913.

Conclusion

The financial services industry is crucial to the modern economy. The financial system is a collection of organisations that provide key activities such as enabling transactions, mobilising savings, distributing capital funds, monitoring enterprises and managers, as well as minimising risk. Opening up the financial sector to international involvement as well as competitiveness not only increases the allocation of financial services to local customers – both people and businesses – but may also help reduce the expense of these services as well as enhance their performance. Furthermore, it appears that the financial industry has a greater and favourable influence on developing countries than on industrialised nations in most circumstances. Given the current advancements in econometric methodology and the usage of proxies such as financial indexes, it is critical to employ in forthcoming studies. This will aid in determining the impact of the financial services industry on economic growth in a more sophisticated manner, rather than relying on previous proxies and approaches.

The study concludes that Economy growth and balance, Entrepreneurship, Infrastructure and Business growth and Employment are the factors that determines the role of financial services in economic development. It is also found that there is a significant role of financial services in economic development.

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SOCIO-ECONOMIC ASPECTS AS A POTENTIAL MODERATOR ON THE RELATIONSHIP BETWEEN WORKPLACE SPIRITUALITY AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR - AN EMPIRICAL STUDY

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ABSTRACT

Spirituality is the unique inner search for optimum personal advancement through involvement into inspirational secrecy. Open expression of spirituality at workplace enables employees to experience a feeling of completeness at work. Spirituality is our internal realization and way of self enlightenment. It is a specific form of job sentiment that stimulates action. It may emphatically contribute more in the formation of more strong position for Organizational Citizenship Behaviors to make a way into in a workplace. Each facet of Workplace Spirituality has a positive link with organizational citizenship behaviors, (OCB). This paper tries to identify the sagacity of Spirituality and its impact on the employees in private engineering colleges in Bhubaneswar by using a self administered questionnaire.

This research intended to find the association between workplace spirituality and OCB by using simple regression analysis. The present study also investigated the moderating effect of socio-economic factors on the relationship between workplace spirituality and OCB by using hierarchical multiple regression analysis. The study found a positive relationship between workplace spirituality and OCB. It has been also

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Need for Documenting Non-verbal Cues for Analysing Interpersonal Speech Communication

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Abstract

In interpersonal speech communication, behaviour is exhibited both through utterances and nonverbal cues. While nonverbal cues consist of kinesics, proxemics, paralanguage and the like, utterances chiefly use language. When researchers try to record the interpersonal communication, they do not have many choices. The studies that are conducted under controlled situation have sample AV recordings. However, if the study is in a natural setup with no other means to record the act except for spy camera, the researchers may land up in an ethical fix. Apart from this, the transcription of the sample conversation should also be presented in a way that records the '**gesticulation**' (Kendon's Continuum, cited in McNeill, 1992) in a comprehendible manner. Researchers who have worked in the area of non-verbal communication have extensively used illustrations to present their data analysis. These illustrations are either re-constructed from video recordings or are snap shots from the recordings. This paper tries to introduce a textual method to represent **gesticulation** in interpersonal speech communication research. To endorse the method, initially a pilot survey is done with 30 management professionals. Later, a sample size of 120 management graduates is selected and a test is administered. The test consists of comprehension questions on conversations from the corporate with and without non-verbal cues included in parenthesis. Hypothesis is formulated where null hypothesis and alternate hypothesis is tested through Z-test. The outcome of the study will accept or reject the need for, and the method of recording non-verbal cues for analysing interpersonal speech communication.

Keywords: *documenting non-verbal cues, interpersonal communication, gesticulation, non-verbal communication*

Introduction

In speech (or oral) communication behaviour is exhibited, both through utterances and nonverbal cues. While nonverbal cues consist of kinesics, proxemics, paralanguage and the like, utterances chiefly use language. Language is fundamentally, as Firth observes, "a way of behaving and making others behave" (qtd. in Coulthard 1977). In other words, it is a two-way interactive process based mostly on speech. He coined the term “context of situation”. Context is what occurs before and/ or after a word. It lies in language. Situation, on the other hand, is physical, extralinguistic reality. Both determine the effectiveness of communication. For Firth, corpus of verbal processes without a context is insufficient for discourse analysis (Coulthard 1977). Similarly, sample utterances without accompaniments like nonverbal cues may be inadequate to study interpersonal communication. To describe human communication, most linguists concentrate only on language meaning, form and substance (Coulthard 1977). Although Gumperz suggests including nonverbal aspects of communication for analysing discourse coherence (Schiffrin 1987), the attempt to accommodate the earliest medium of communication-body language- in analysing discourse is rare.

A study conducted by Mehrabian (1981) stressed that paralingual and facial expressions alone communicated 93% of people’s feelings and attitudes. Furthermore, brain researchers (e.g., Kelly, Barr, Church, & Lynch, 1999) have concluded that verbal and nonverbal processes are interdependent and connected. It is thus, a misnomer that the analysis of nonverbal communication processes is fused into linguistic expressions and that they are mutually inseparable in human interactions. Nonetheless, there have not been many attempts to gather empirical evidence as to what extent the inclusion of non-verbal cues may impact qualitative research on different types of interpersonal communication viz…conversation, interview, group discussion and so on…

Jones and LeBaron (2002), in their work, advocated for an integrated approach to examining verbal and nonverbal communication in research. They recorded obstacles to integration as, 1) problem is the linear format of journals and books, which is somewhat at odds with reporting the complexities of multidimensional interactions. It is much easier to present verbal transcripts or statistical tables than it is to describe and analyse integrations among varied message modalities. 2) Another impediment is that there is not widespread agreement about how holistic analyses should be conducted.

To examine these studies further, two representative conversations are given below that exemplify the need for inclusion of non-verbal cues in interpersonal speech communication.
Case 1:

Customer: Good afternoon sir.
Officer: kana hela?
Customer: Sir I wanted some information about Platinum card…I wanted to know er..er. how can I use the Platinum debit card?... actually I am going er.. er.. out of station
Officer: You want to know about Platinum card?
Customer: Yes a.a.
Officer: ae Panda Babu eyi Platinum card kana achhi?

Case 2:

Officer: (He is wearing glasses; the bridge of the glasses is resting on the centre of the nose; his head is slightly down; he is holding a pen in his hand, has an open register on the table, besides some files, and is looking at the customer from over the tops of the specks,)

Customer: Good afternoon, Sir (in a soft voice and with slight bowing)

Officer: (Eyes gazing over the tops of the specks, lips curved downward, head slightly down … speaks in a low pitch feeble voice) kana hela?

Customer: Sir I wanted some information about Platinum card (in a soft voice and with a deliberate smile on the face and slight bending body posture)

Officer: (Lifts his head and neck up.)

Customer: (Slightly perturbed voice but with a deliberate smile on the face.) I wanted to know er.. er.. er how can I use the Platinum card?

Officer: (Eyes gazing over the tops of the specks, lips curved downward, head slightly down and forehead a little wrinkled)

Customer: (confused loo)) Actually I am going er... er.. er out of station.

Officer: (with same expressions and in a blunt voice) you want to know about Platinum debit card?

Customer: (smiling and nodding in agreement) Yes.. er er..

Officer: (turning the head back to other counter) ae panda babu eyi Platinum card kana achhi? (turning to the customer, showing hand gesture towards the counter at the back)

The first Case presents a very normal situation in which a customer is approaching a bank officer for some information. The customer practically seems to be struggling to communicate to the officer. There are long pauses "(….)" and hesitations "(er..er..er)" that are markedly the features of the customer's speech. In fact, the customer also seems to elaborate the query after a long pause that sounds irritating. This text does not reveal the communicative behaviour of the bank officer. Rather it makes the reader conclude that the officer is a cordial participant.

However, the second Case is quite explicit and even indicates the cause of the customer's hesitation markers and abrupt pauses (the stern looks of the bank officer). The initial nonverbal cues displayed by the bank officer (gazing from over the tops of the specks) build a barrier between him and the customer- the look looks stern (Pease, 1999). This contributes to the customer's humble nonverbal behaviour while wishing the bank manager-a soft voice with a slight nodding movement and lowering body posture (Joshi, 2004). The animated greeting gesture goes on to depict extreme politeness; this of course is a result of the air of superiority that the bank officer has created due to his nonverbal cues. Even at the very next instance, the bank officer does not choose to respond to the customer's "Good afternoon". He rather prefers to give an unfriendly gaze, followed by a feebly heard "kana hela?" (What happened?). This gives a hint to the customer that the officer is either busy, or disinterested, or both.

The customer has no choice but to talk to the officer. So, even if offended, the customer tries to smile and carries on with the conversation. The facial expression of the customer keeps changing from a deliberate smile to a confused look. The voice impressions also sound perturbed because the customer does not get the expected communicative response. In such a situation the customer is sure to feel uncomfortable, which is evident from the hesitation markers. Again, when the customer has finished the query there is no response from the officer. Rather there is a blank face on display. This makes the customer elaborate the query with additional inputs like "actually I am going er.. er.. er. out of station". As if the discomforting looks and silence were not enough, the officer cuts short the customer's talk by asking a question in a blunt voice. Finally, he guides the customer to some other officer, who is sitting at a counter at the back, through hand gestures.

His question, "ae panda babu eyi Platinum card kana acchi?" (Panda Babu, what is this Platinum card?), along with the hand gesture implies that the right person to tell about the debit card is Mr. Panda. On the one hand he uses verbal expressions to draw the attention of Mr. Panda, and on the other hand, he guides the customer to Mr. Panda through nonverbal gestures. Thus, the text with nonverbal cues, explicitly described, conveys that the bank officer is not a cordial communicator- an inference that is opposed to the previous conclusion.

These cases provide a scope to include a few parameters of nonverbal communication while studying interpersonal speech communication. These parameters are cues that qualify, modify, and/or add value to human communication.

Objective

The objective of the study is to find the importance of including non-verbal cues in the script of interpersonal speech communication. Thus, the objectives are stated as,

1) to study the importance of including non-verbal cues in interpersonal communication script.

2) To evaluate the comprehensibility of an interpersonal conversation that includes non-verbal cues.

Method

The method of study includes 1) a pilot survey with 30 management professionals (only 24 responded) from across domains, placed within Bhubaneswar and Cuttack. The professionals responded to a questionnaire designed on a 5-point scale; 2) a set of tests of comprehension using conversations with and without non-verbal cues is conducted for 119 management students who have completed a 3 credit course on Managerial Communication and 3 credit course on Organisational Behaviour from BPUT, Odisha, and have fair understanding of verbal and non-verbal communication. They are given 4 sample conversations, 2 with and 2 without non-verbal cues. The scores from the comprehension test with 20 MCQs is then tabulated and analysed.

The survey results are analysed using descriptive statistics and a one-sample t-test. The scores of comprehension tests are analysed using descriptive statistics and two-tailed z-test.

Analysis of Results

The result of the pilot study indicates that 18 out of 24 professionals find non-verbal cues in a conversation script to be important to understand the gaps in an interpersonal communication process (see figure 1).

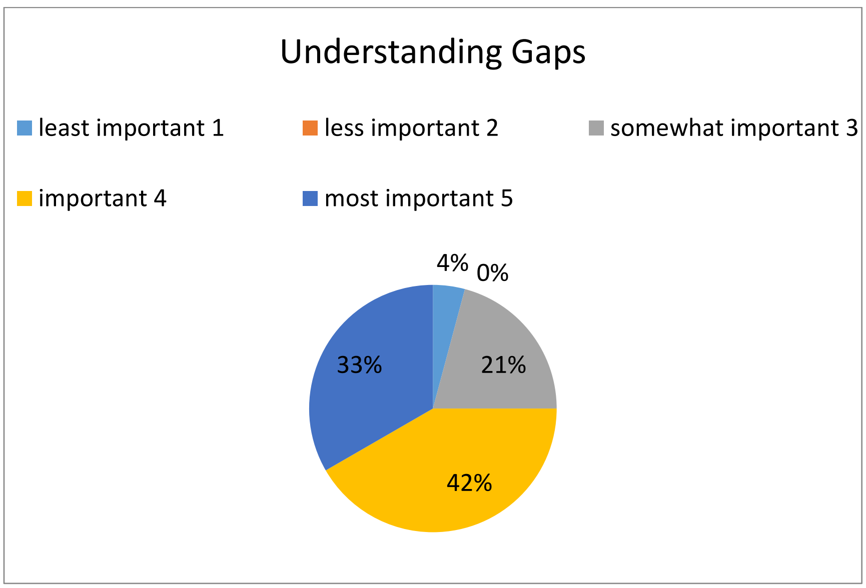

Figure 1

15 out of 24 professionals find including non-verbal cues in conversation script to be important or most important to judge the effectiveness of interpersonal communication process. 8 find it somewhat important.

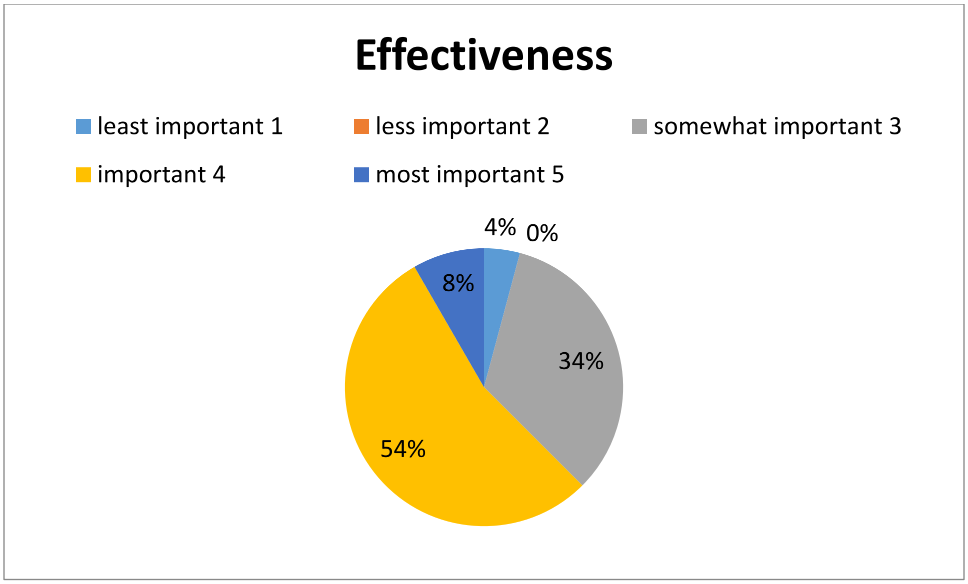

Figure 2

Interestingly, only 11 respondents feel including non-verbal cues in conversation script to be important or most important to judge the behaviour of the participants and 11 others feel it to be somewhat important.

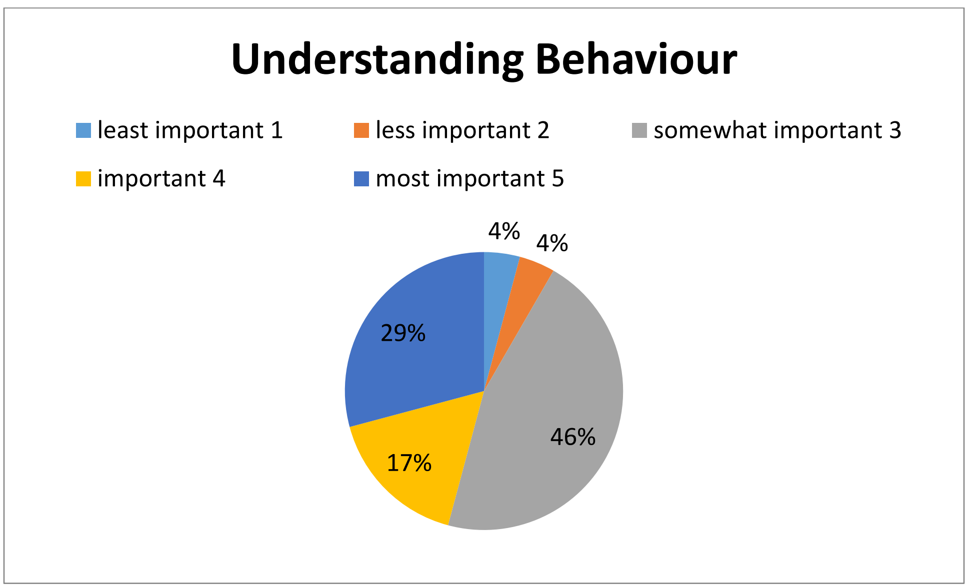

Figure 3

14 respondents find case studies on face-to-face interpersonal communication to be better comprehendible or highly comprehendible, 5 find it somewhat better comprehendible and 5 do not find any difference between case studies with non-verbal cues and without non-verbal cues. This can be represented as:

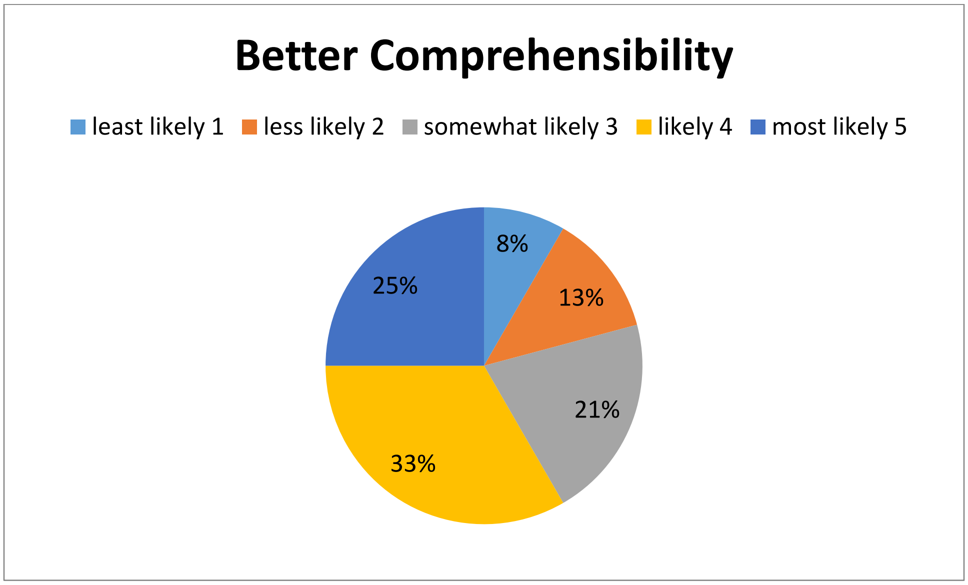

Figure 4

The above data indicates a need for including non-verbal cues in interpersonal communication script for improved comprehension. To prove this, the following descriptive statistics is calculated for a sample size:24, Mean ($\bar{x}$): 3.75, standard deviation (s) = 0.7033.

To understand whether the sample response is likely to be the population response, a t-test is conducted. For the purpose of statistical analysis, we set a hypothesis as

Ho: $\mu \leq \mu_0$ [The population mean is less than or equal to the hypothetical mean]
Ha: $\mu > \mu_0$ [The population mean is greater than the hypothetical mean]
Here, μ_0 is taken as 3.

The t-statistic is computed as follows:

$$t = \frac{\bar{X} - \mu_0}{s/\sqrt{n}} = \frac{3.75 - 3}{0.7/\sqrt{24}} = 5.249$$

Since it is observed that $t = 5.249 > t_c = 1.714$, it is then concluded that *the null hypothesis is rejected. (critical value for right-tailed test $t_c = 1.714$)*

Using the P-value approach: The p-value is p = 0, and since $p = 0 < 0.05$, it is concluded that the null hypothesis is rejected.

It is concluded that the null hypothesis (Ho) is *rejected.* Therefore, there is enough evidence to claim that the population mean is greater than 3, at the 0.05 significance level. The 95% confidence interval is $3.454<\mu<4.046$. Graphically, it is represented as:

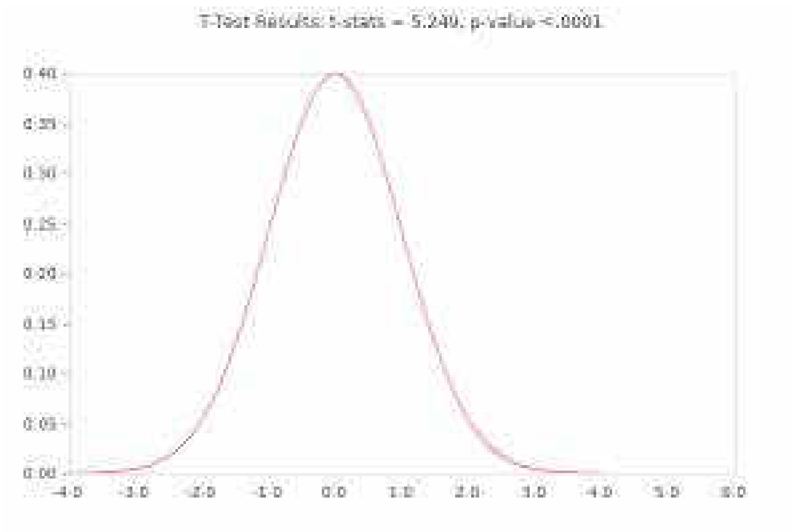

Figure 5

Now, the comprehension tests' scores of 119 management students are tabulated and the following results are drawn:

Descriptive Statistics for 119 Sample Size
Mean value for comprehension test without non-verbal cues= 2.823
Standard deviation= 1.234
Mean value for comprehension test with non-verbal cues= 3.55
Standard deviation= 1.680

To establish that the mean value of the population is expected be higher than the hypothetical mean value, we set the following hypothesis:

Ho: $\mu \leq \mu_0$ [The mean value of population is less than the hypothetical mean]
Ha: $\mu > \mu_0$ [The mean value of population is greater than the hypothetical mean]
Mathematically,
Ho: $\mu \leq 3$
Ha: $\mu > 3$

This corresponds to a right-tailed test, for which a z-test for one mean, with known population standard deviation is used. The significance level is $\alpha=0.05$, and the critical value for a right-tailed test is $z_c=1.64$.

The rejection region for this right-tailed test is $R=(z:z>1.64)$
The z-statistic is computed as follows:

$$z = \frac{\bar{X} - \mu_0}{\sigma/\sqrt{n}} = \frac{3.55 - 3}{1.67/\sqrt{119}} = 3.593$$

It is observed that $z=3.593>z_c=1.64$, and the p-value is $p=0.0002$, and since $p=0.0002<0.05$, it is concluded that the null hypothesis is rejected. Therefore, there is enough evidence to claim that the population mean μ is greater than 3, at the 0.05 significance level. The 95% confidence interval is $3.853.25<\mu<3.85$. Graphically it is represented as,

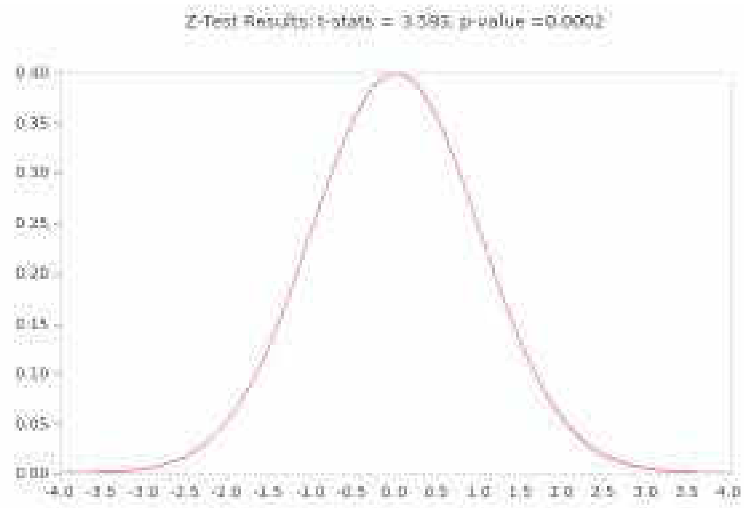

Figure 6

Conclusions

Therefore, from the study we can conclude that it is important to include non-verbal cues in interpersonal communication script (as indicated by the t-test); including non-verbal cues in conversation/ interpersonal speech scripts enhance the understanding of the reader. Thus, there is a need for including non-verbal cues in methods that analyse interpersonal speech communication like conversations, interviews, group discussions etc…

This study is significant as there has been a raising demand for the use of non-verbal cues in conversational analysis or discourse analysis or interpersonal case study by researchers involved in qualitative research. The method used in this study and recommended for bringing out non-verbal cues explicitly in a conversation is simple. There may be future studies to endorse this method across borders and domains.

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