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## PERFORMANCE MANAGEMENT

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### ABSTRACT

*There are few comprehensive definitions of performance management. HM treasury describe performance management as “Managing the performance of an organisation or individual”. Another way of putting the overall and performance management is that it exists to establish a culture in which individuals and group take responsibility for the continuous improvement of the business process and of their own skills and contributions. It is about sharing expectations. When people know and understand what is expected of them, and have taken part in forming these expectations, they will use their best endeavors to meet them. The capacity to meet expectations depends on the level of capabilities that can be achieved by individuals and teams, the levels of support they are given by the management and the processes, systems and resources made available to them by the organization. It is concluded from the survey that all the respondents are aware about the current performance management system but employees are not showing their effectiveness in the company so all should improve their performances as well as attitude to develop the profitability of the company. This study has shown that performance management is a comprehensive approach to planning and sustaining improvements in the performance of employees so as to meet the standards. Most of the HR professionals are not comfortable with conducting performance review. Create a trust in them about performance review techniques and maintaining good relationship with employees for improving their performance and accomplishing goals and objectives of the organisation.*

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### INTRODUCTION

There are few comprehensive definitions of performance management. HM treasury describe performance management as “Managing the performance of an organisation or individual”. Whilst this is not a precise definition grounded in literature it demonstrates the breadth of performance management is concerned with the management of performance throughout the organisation and as a result is a multidisciplinary activity.

Further, in their glossary of performance terms the improvement development agency further suggest that “it involves you understanding and acting on performance issues at each level of your organisation, from individuals, teams and directorates, through to the organisation itself. As well as involving performance measurement, systems and processes, performance management is about managing people and the way people within an organization operate and work together. Issues such as leadership, decision making, involving others, motivation encouraging innovation and risk taking are just as important to bring about improvement”.

This definition further demonstrates the breadth of the subject highlighting some of the activities involved in managing performance, requiring a range of different skills and functional approaches. This provides challenges of terminology when we discuss the subject. Academic researchers in particular tend to be undertaken in functional subject areas and often with in organisations managers sit in functions and take a functional perspective on the subject of performance.

## **AIMS OF PERFORMANCE MANAGEMENT**

### **BASIC AIMS**

Two simple propositions provide the foundation upon which performance management is built

- 1) When people know and understand what is expected of them, and have taken part in forming these expectations, they will use their best endeavors to meet them.
- 2) The capacity to meet expectations depends on the level of capabilities that can be achieved by individuals and teams, the levels of support they are given by the management and the processes, systems and resources made available to them by the organization.

These propositions imply that the basic aims of performance management are to share understanding about what is to be achieved, to develop the capacity of people and the organisation to achieve it and to provide the support and guidance individuals and teams need to improve their performance.

Another way of putting the overall and performance management is that it exists to establish a culture in which individuals and group take responsibility for the continuous improvement of the business process and of their own skills and contributions. It is about sharing expectations. Managers can clarify their expectations of what they want individuals team members and their terms as a whole to do, and individuals and group can communicate their expectations of what they should be able to do, of how they should be managed the support and resources they need and how their talent should be used. The aim is to achieve consensus because, as Fletcher put it, ‘our perception of what is real and valid in the world depend on the consensus of shared beliefs’. One of the aims of performance management could be expressed as being to clarify the psychological contract.

### **SECONDARY AIMS**

In more details, the aims of performance management are two

- 1) Help to achieve sustainable improvement in organizational performance.
- 2) Act as a lever for change in developing a more performance oriented culture.
- 3) Increase the motivation and commitment of employees.

- 4) Enable individuals to develop their abilities, increase their job satisfaction and achieve their full potential for their own benefit and that of the organization as a whole.
- 5) Enhance the development of the team cohesion and performance.
- 6) Develop the constructive and open relationship between individuals and their managers in the process of continuing dialogue which is linked to the work actually done throughout the year.
- 7) Provide opportunities for individuals to express their aspirations about their work.

### **PRINCIPLES OF PERFORMANCE MANAGEMENT**

The principles of performance management have been well summarised by IRS (1996) as follows

- 1) It translates corporate goals into individuals, teams, departments and divisional goals.
- 2) It helps to clarify corporate goals.
- 3) It is a continuous and evolutionary process, in which performance improves over time.
- 4) It relies on consensus and cooperation rather than control or coercion.
- 5) It encourages self-management of individual performance.
- 6) It requires management style that is open and honest and encourages two-way communication between superiors and subordinates.
- 7) It requires continuous feedback.
- 8) Feedback loops enable the experience and knowledge gained on the job by individuals to modify corporate objectives.
- 9) It measures and assesses all performance against jointly agreed goals.
- 10) It should apply to all staff, and it is not primarily concerned with linking performance to financial reward.

Performance management should operate in accordance with the following ethical principles as defined by Winstanley and Stuart-Smith (1996)

- 1) Respect for the individuals- people should be treated as 'ends in themselves' and not merely as 'means to other ends'.
- 2) Mutual respect- the parties involved in performance management process should respect each other's need and preoccupations.
- 3) Procedural fairness- the procedures incorporated in performance management should be operated fairly to limit the adverse effect on individuals.
- 4) Transparency- people affected by decisions emerging from the performance management process should have the opportunity to scrutinize the basis upon which decisions were made.

### **CONCERNS OF PERFORMANCE MANAGEMENT**

Performance management is basically concerned with performance improvement in order to achieve organisational, team and individual effectiveness. Organisations, as stated by Lawson (1995), have 'to get right things done successfully'.

Secondly, Performance management is concerned with employee development. Performance improvement is not achievable unless there are effective processes of the continuous development. These address the core competences of the organisation and the capabilities of individuals and teams. Performance management should really be called performance and development management.

Thirdly Performance management is concerned with satisfying the needs and expectations of all organisations stakeholders-owners, management, employees, customers, suppliers and the general public. In particular, employees are treated as a partner in the enterprise whose interests are respected and who have a voice on a matters that concern them, whose opinions are sought and listened to. Performance management should respect the needs of individuals and teams as well as those of the organisation, recognizing that they will not always coincide.

Finally, Performance management is concerned with communication and involvement it creates climate in which a continuing dialogue between managers and the members of their teams take place to define expectations and shared information on the organisation's mission, values and objectives. This establishes mutual understanding of what it is to be achieved and framework for managing and developing people to ensure that it will be achieved. Performance management can contribute to the development of the high involvement organisation by getting teams and individuals to participate in defining their objectives and the means to achieve them.

### **SCOPE OF PERFORMANCE MANAGEMENT**

Performance management is about managing the organisation. It is a mutual process of management, not a system or a technique. It is also about managing within the context of the business. This will affect how it is developed, what is set out to do and how it operates. The context is very important, and Jones goes as far as to say 'manage context, not performance'.

Performance management concerns everyone in the business not just managers. It rejects the cultural assumptions that only managers are accountable for the performance of their teams and replaces it with the belief that responsibility is shared between managers and team members. In a sense, managers should regard the people who report to them as a customer for the managerial contribution and services they can provide. Managers and their teams are jointly accountable for results and are jointly involved in agreeing what they need to do and how they need to do it, in monitoring performance and in taking action.

### **BENEFITS OF PERFORMANCE MANAGEMENT**

The benefits to the organisation, managers and individuals of well conceived and well run performance management processes are as follows

For the organisation

- 1) Align corporate, individual and team objectives.
- 2) Improve performance.
- 3) Motivate employees.
- 4) Increase commitment.
- 5) Underpin core values.
- 6) Improve training and development process.

- 7) Help and develop a learning organization
- 8) Enlarge the skill base.
- 9) Provide for continuous improvement and development.
- 10) Provide the basis for career planning.
- 11) Help to retain skilled employees.
- 12) Support total quality and customer service initiatives.

### **FACTORS AFFECTING PERFORMANCE**

Performance is affected by a number of factors, all of which should be taken into account. These comprises

- 1) Personal factors- the individual's skill, competence, motivation and commitment.
- 2) Leadership factors- the quality of encouragement, guidance and support provided by managers and team leaders.
- 3) Team factors- the quality of support given by the colleagues.
- 4) System factor- the system of work and facility provided by the organization.
- 5) Contextual factor- internal and external environmental pressures and changes.

### **PROCESS FOR MANAGING PERFORMANCE**

It has been well said by Moharman and Moharman that managing performance is 'running the businesses. It is not a set of techniques and it is certainly not all about 'performance management system'. Kermally believes that 'performance management should support corporate strategy formulation and monitor value drivers,

If an all embracing or holistic approach to the management of performance is adopted, the following aspects of what makes organisations, teams and individuals perform well must be considered

- 1) The context of the organization.
- 2) Culture.
- 3) Functionality.
- 4) Job design.
- 5) Teamwork.
- 6) Organizational development.
- 7) Purpose and value statements.
- 8) Strategic management.
- 9) Human resource management

### **MEANING**

Performance management system is the heart of any "people management process" in organisation. Organisations exist to perform if properly designed and implemented it can change



the course of growth and pace of impact of organisations. If people do not perform organisations don't survive. If people perform at their peak level organisation can compete and create waves. In the past organisations as well as the HR function have wasted a lot of time by wrongly focusing on performance appraisals rather than performance management.

Effective performance management requires:

- 1) Identifying the parameters of performance and stating them very clearly.
- 2) Setting the performance standards.
- 3) Planning in participative ways where appropriate performance of all constituents.
- 4) Identifying competencies and competency gaps that contribute to performance.
- 5) Planning performance development activities.
- 6) Creating ownership.
- 7) Systematically deciding and communicating what needs to be done.
- 8) A plan for ensuring that it happens.
- 9) Some means of assessing if this has been achieved.
- 10) Information reaching the right people at the right time so decisions are made and actions are taken.

A performance management system enables a business to sustain profitability and performance by linking the employees' pay to competency and contribution. It provides opportunities for concerted personal development and career growth. It brings all the employees under a single strategic umbrella. Most importantly, it gives supervisors and subordinates and equal opportunities to express themselves under structured conditions. Managing this process effectively isn't easy. It calls for a high level of co-ordination, channelled information flow, and timely review. Whether the employees are at a single phase or spread across multiple locations the use of technology can help simplify the complete process for more effective information management. Performance management could be defined as it begins when the job is defined and ends when an employee leaves the company.

### **CONTRIBUTION OF PERFORMANCE MANAGEMENT SYSTEM**

There are many advantages associated with implementation of a performance management system can make the following important contributions.

- 1) Motivation of performance is increased
- 2) Increase in self esteem
- 3) Managers gain insight about subordinates
- 4) The definition of job and criteria are clarified
- 5) Self insight and development are enhanced
- 6) Administrative actions are more fair and appropriate
- 7) Organizational goals are made clear
- 8) Employees become more competent

## **CHARACTERISTICS OF PERFORMANCE MANAGEMENT SYSTEM**

### **1) STRATEGIC CONGRUENCE**

The system should be congruent with the unit and organisation's strategy. In other words, individual goals must be aligned with unit and organisational goals.

### **2) THOROUGHNESS**

The system should be thorough regarding four elements respectively all employees should be evaluated, all job responsibilities should be evaluated, the evaluation should include performance spanning the entire review period, not just the few weeks or months before the review and feedback should be given on positive performance aspects as well as those that are in need of improvement.

### **3) PRACTICALITY**

System that are too expensive time consuming and convoluted will obviously not be effective. Good, easy to use systems are available for managers to help them make decisions.

### **4) SPECIFICITY**

A good system should be specific it should provide detailed and concrete guidance to employees about what is expected of them and how they can meet these expectations.

### **5) IDENTIFICATION OF EFFECTIVE AND INEFFECTIVE PERFORMANCE**

The performance management system should provide information that allows for the identification of effective and ineffective performance.

### **6) RELIABILITY**

A good system should include measures of performance that are consistent and free of error.

### **7) VALIDITY**

The measures of the performance should also be valid. In this context, validity refers to the fact that the measures include all relevant performance facets and do not include irrelevant performance facets.

## **REVIEW OF LITERATURE:**

Study by DDI (1997), performance management practices is the most recent performance management study. It proves that successful organizations realize that performance management is a critical business tool in translating strategy into results. The CEO's in the majority of the 88 organizations surveyed say their performance management drives the key factors associated with both business and cultural strategies. Performance management system directly influences five critical organizational outcomes. Financial performance, productivity, product or service quality, customer satisfaction and job satisfaction. When performance management systems are flexible and linked to strategic goals, organizations are more likely to see improvement in the five critical areas: team objectives, non manager training, appraiser accountability and links to quality management are the specific practices most strongly associated with positive outcomes.

## **SCOPE OF THE STUDY**

The research was conducted in AGI India (P) LTD. The research study was focus on performance management system in AGI India (P) LTD. It also measures and evaluates the effective performance on the basis of employees overall awareness, expectations and satisfaction or dissatisfaction as an outcome of offering various kinds of incentives and employees morale as offered by the performance management system of AGI India (P) LTD.

## **OBJECTIVES**

- 1) To get awareness of the employees effectiveness in a company.
- 2) To study the level of satisfaction of the employees.
- 3) To identify the techniques and employees morale and incentives.
- 4) To suggest that the improvement of employees performances and it helps to develop organizational goals.

## **RESEARCH METHODOLOGY**

Research methodology is a way systematically solves the research problem. It may be understood as a science of studying how research is done scientifically.

## **RESEARCH DESIGN**

The methodology of research work provides an outline and a frame work of how the work is conducted. It is a systematic and scientific way of solving the research problem. The research design chosen is descriptive as the study reveals the state of facts existing.

## **SAMPLING DESIGN**

In this study, 100 respondents were selected through random sampling method.

## **METHOD OF DATA COLLECTION**

An integrated part of the research system is the data collection. There are two types of data, namely primary data and secondary data.

### **1) PRIMARY DATA**

The primary data has been obtained from the selected employees and senior executive at various departments of AGI India (P) LTD through circulation of questionnaire.

### **2) SECONDARY DATA**

The secondary data has been obtained from published as well as unpublished literature on the topic and from books, journals, newspapers, research articles, thesis, websites, magazines etc.

## **SAMPLE TECHNIQUE**

The researcher have adopted random sampling

## **TOOLS FOR ANALYSIS**

The data collected are tabulated and analyzed with reference to the objectives of the study. The simple statistical tools like percentage analysis and chi-square test were used to analyze the data.

**1) PERCENTAGE ANALYSIS**

Percentage analysis refers to the ratio. Percentage should be computed and shown if appropriate. Frequently figures in tables become more meaningful if they are expressed as percentages. In constructing a table it is important to decide whether or not it can be improved, additional columns should be inserted in the table and the percentages computed and entered. Such percentage is sometimes called derived statistics.

$$\text{PERCENTAGE} = \frac{\text{No. of respondents}}{\text{Total number of respondents}} \times 100$$

**2) CHI-SQUARE ANALYSIS**

The chi-square test is an important test among the several test of significance developed by statisticians. Chi-square, symbolically written as ( $X^2$ ) is a statistical measure used in the context of sampling analysis for comparing a variance to a theoretical variance. The chi-square test is applicable in large number of problems.

$$X^2 = \frac{(O-E)^2}{E}$$

Where,

O= Observed

E= Expected

**LIMITATIONS OF THE STUDY**

- 1) The employees were reluctant to give correct information.
- 2) The investigator intended to cover only few areas of performance management system.
- 3) The findings of the study are applicable only to the study unit and may not be applicable to other similar units.
- 4) The researcher has been used selected statistical tools which are relevant to research study and thus having limited generalizability.

**CHI-SQUARE TEST TEST - I**

EXPERIENCE/SATISFECTION	LESS THAN A YEAR	1-5 YEARS	5 YEARS AND ABOVE	TOTAL
SATISFIED	14	12	10	36
NEUTRAL	10	19	9	38
DISSATISFIED	8	14	4	26
<b>TOTAL</b>	32	45	23	100



$$(O-E)^2$$

$$\text{CHI-SQUARE} = \frac{\sum (O-E)^2}{E}$$

E

O = Observed frequency

E = Expected frequency

O	E	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
14	11.52	2.48	6.16	0.53
12	16.2	-4.2	17.64	1.08
10	8.28	1.72	2.96	0.35
10	12.16	-2.16	4.66	0.38
19	17.1	1.9	3.61	0.21
9	8.74	0.24	0.05	0.0057
8	8.32	-0.32	0.10	0.01
14	11.7	2.3	5.29	0.45
4	5.98	-1.98	3.29	0.65
				3.6657

Calculated value = 3.66

Degrees of freedom = (r-1) (c-1)

= (3-1) (3-1)

= 2 X 2

= 4

Table value = 9.488

### INTREPRETATION

Chi-square test reveals that the calculated value is less than the table value, thus the hypothesis is accepted and it is concluded that there is no association between the experience of the respondents and satisfaction towards the performance review.

### TEST - II

EXPERIENCE/OBJECTIVES	LESS THAN A YEAR	1-5 YEARS	5 YEARS AND ABOVE	TOTAL
YES	30	40	11	81
NO	2	5	12	19
<b>Total</b>	32	45	23	100

$$(O-E)^2$$

$$\text{CHI-SQUARE} = \frac{\sum (O-E)^2}{E}$$

E

O = Observed frequency

E = Expected frequency

O	E	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
30	25.92	4.08	16.64	0.64
40	36.45	3.55	12.60	0.34
11	18.63	-7.63	58.21	3.12
2	6.08	-4.08	16.64	2.73
5	8.55	-3.55	12.60	1.47
12	4.37	7.63	58.21	13.32
				21.62

Calculated value = 21.62

Degrees of freedom = (r-1) (c-1)

= (2-1) (3-1)

= 1 X 2

= 2

Table value = 9.488

**INTREPRETATION**

Chi-square test reveals that the calculated value is greater than the table value, thus the hypothesis is rejected and it is concluded that there is association between the experience of the respondents and identifying the organisation objectives.

**FINDINGS**

- 1) The 53 percentage of the respondents are male.
- 2) The majority 43 percentage of the respondents belong to the age group of 20-30 years.
- 3) The majority 45 percentage of respondents have one to five years of experience in AGI India PVT LTD.
- 4) The majority 52 percentage of respondents said that check list technique is used for assessing performance.
- 5) The majority 52 percentage of respondents are satisfied with the performance evaluation.
- 6) The majority 49 percentage of respondents are satisfied with the development planning.
- 7) The majority 48 percentage of respondents are satisfied with the 360<sup>0</sup> feedback.
- 8) The majority 67 percentage of respondents are satisfied with the mentoring.
- 9) The majority 74 percentage of respondents are satisfied with the training.
- 10) The majority 87 percentage of respondents are satisfied with the leadership development.
- 11) The majority 87 percentage of respondents have agreed that the current performance management is improving performance.

- 12) The majority 87 percentage of respondents have agreed that the current performance management helps the team to perform better.
- 13) The majority 79 percentage of respondents have agreed that the organization uses formal performance management system.
- 14) The majority 85 percentage of respondents have agreed that they have the authority to determine their work objective.
- 15) The majority 94 percentage of respondents have agreed that they receive feedback on their performance.
- 16) The majority 79 percentage of respondents are satisfied with the performance review conducted by manager.
- 17) The majority 84 percentage of respondents have agreed that the performance management helps in improving performance.
- 18) The majority 57 percentage of respondents have agreed that the current performance management system should be changed.
- 19) The majority 69 percentage of respondents have agreed that they have the authority over the way they perform the work.
- 20) The majority 55 percentage of respondents have disagreed that they does not have any difficulty in discussing work problem with line manager.
- 21) The majority 81 percentage of respondents have agreed that they understand organization's business objectives.
- 22) The majority 68 percentage of respondents have agreed that the performance reviews is used productively.
- 23) The majority 87 percentage of respondents have agreed that they are comfortable with the performance reviews.

## **SUGGESTIONS**

- 1) HR professionals should communicate well and involve the employees during the performance management reviews. This will create a climate in which a continuing dialogue between managers and members of their teams takes place to define expectations and share information, mission, values and objectives.
- 2) After performance reviews, the employee's should be rewarded with incentives that will be commensurate with their efforts. This will be a long way in boosting the morale of the employee's.
- 3) The organization can also use other methods of performance appraisal for assessing performance of employees.
- 4) The organization should conduct periodic performance review for better performance of employees and improved competitiveness.

## **CONCLUSION**

It is concluded from the survey that all the respondents are aware about the current performance management system but employees are not showing their effectiveness in the company so all should improve their performances as well as attitude to develop the profitability of the company.

This study has shown that performance management is a comprehensive approach to planning and sustaining improvements in the performance of employees so as to meet the standards. Most of the HR professionals are not comfortable with conducting performance review. Create a trust in them about performance review techniques and maintaining good relationship with employees for improving their performance and accomplishing goals and objectives of the organisation.

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## **A STUDYING OF THE LEVEL OF AWARENESS OF THE RESPONDENTS TOWARDS CELEBRITY ENDORSED ADVERTISEMENT WITH SPECIAL REFERENCE TO FMCG THROUGH UNAIDED RECALL TECHNIQUE**

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### **ABSTRACT**

*In the present era of globalization, the corporate face a stiff competition from their rivals and to overcome this global competition an attractive advertisement is essential as it plays a crucial role. Advertisements impress the prospective buyers through its word jargons, music, theme, appeal and presentation style. Further, the posing celebrity model captivates the attention of the audience in order to create an interest and tempt them to purchase the product or a service. The repeated association of a brand with a celebrity may ultimately lead consumers to think that their brand possesses the attractive qualities that are similar to the celebrity's quality. It also confers trustworthiness and the popular personality posing for a particular product helps the seller to captivate and sustain the attention of the consumers towards the advertisement. Thus celebrity in the advertisements helps various brands to compete with each other. Celebrity endorsements are double-edged sword which needs to be used properly by the advertisers in reaping the maximum benefit as they spend crores of rupees for a celebrity for their presence in an advertisement.*

**KEYWORDS:** *celebrity endorsement, FMCG.*

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### **INTRODUCTION**

India is one of the largest emerging markets, with a population of over one billion. India is one of the largest economies in the world in terms of purchasing power and has a strong middle class base of 300 million. An average Indian spends around 40 per cent of his income on grocery and 8 per cent on personal care products. The large share of FMCG in total individual spending along

with the large population base is another factor that makes India one of the largest FMCG markets.

There is a shopping spree in India and as a result it becomes imperative for the marketing houses to attract the attention of these prospective buyers<sup>2</sup>. The Indian market of pre- liberalization had a facelift with dynamism brought into by opening the economy for foreign players, since then brands have struggled to regain vitality and prominence in this niche Indian market. The best of them stay etched in consumer mind spaces for generations, representing set values. The dynamism brought in through liberalization, privatization and globalization has attributed to the growth of aggressive new global market. Today, an introspective look into the global market highlights the fact that, all human beings share common physiological and safety needs. So, consumer behaviour is the one that is to be focused on by today's market makers. In a rising trend, companies are setting up experience centers that encourage the consumers to extensively explore the wares on offer without having to buy any of them. There is enormous competition among brands in the modern Indian market. Retaining a customer is the only mantra for a perpetual existence in this competitive scenario. A strong brand translates into a strong financial position, which in turn enables companies to invest in brand building exercise that furthers brand value and positive snowballing effect. The race for being the best goes on. This race exists not only between the brands, but also among the companies, each company is trying to lever one's own brand through various fool proof strategies. This race has become really very severe in the FMCG sector where there are large number of brands and extensions. Consumers identify a good brand based on the product quality, brand reliability, trust and reputation. Emotional and self-expressive base value propositions build up strong bonds between customers and brands. Buying decisions are made on promises that transcend products, and promises are rooted in human emotions. Emotions are experienced as "feelings". The whole world is driven by emotions. Companies have started realizing that rational thought leads consumers to be interested in brands, but it is emotion that sells.

Branding strategies are moving towards this "emotional anchoring". Celebrity endorsement is one such strategy which has become vogue in the contemporary markets. This has been used to build a good image in the minds of the people. A successful branding strategy always builds a string of brand images in the minds of the customers. Customers develop favourable predisposition towards the brand so that in every purchase situation, they will buy the same brand and also give referral to other customers. A strong brand image leads to the making of a strong brand personality. A product with a strong brand personality helps the company to have a sustainable competitive advantage. A strong brand personality brings unique associations with the brand, which are the genesis of competitive advantage for the firm. Stronger the personality of the brand, the stronger the position of the brand is in customer perception.

## **REVIEW OF LITERATURE**

Kanungo & Pang (1973)<sup>1</sup> examine that advertising has a long history, from oral to print to the current electronic media. Companies used various objects in their advertisements, from cartoons to animals in order to get the message across. The use of human models has been advocated as it could provoke attitudinal and emotional reactions. McCracken (1989)<sup>2</sup> has defined celebrity endorser as "any individual who enjoys public cognition and who uses this cognition on behalf of a consumer by appearing with in an advertisement". Moreover, celebrity is used as testimonial, endorsement, actor or spokesperson by the firm. Research has demonstrated that celebrity

endorsement affects consumers' feelings in general and it could affect the attitude of consumers towards the advertisement and brands too. This could result in enhancing of purchase intentions and as a result enhancing of sales.

Ohanian (1990)<sup>3</sup> explains the concept of source credibility. According to him Source credibility is referred to identifying of communicator's positive properties which influence acceptance of a message by the receiver.

Till And Shimp (1998)<sup>4</sup> suggested that repeated pairing of the brand endorser with the brand should facilitate the celebrity and the brand should facilitate the celebrity and the brand becoming part of each other's association set. It was concluded that celebrity endorsement is not an easy option but needs careful consideration of a different dimension of advertising and promotional campaign.

Goldsmith et al. (2000)<sup>5</sup> states that advertisers frequently use endorsers or spokespersons as credible sources to influence consumers' attitudes and purchase intentions. Corporate credibility-the reputation of a company for honesty and expertise is another type of source credibility that can influence consumer reactions to ads and shape brand attitudes. The present study assessed the impact of endorser and corporate credibility on attitude-toward-the-ad, attitude-toward-the-brand, and purchase intentions. A survey of 152 adult consumers was conducted where the respondents were asked to view a fictitious ad for Mobil Oil Company. They rated the credibility of the ad's endorser, the credibility of the company, and attitude-toward-the-ad, attitude-toward-the brand, and purchase intentions. Path analysis confirmed that endorser credibility had its strongest impact on Aad while corporate credibility had its strongest impact on an advertisement. The findings suggest that corporate credibility plays an important role in consumers' reactions to advertisements and brands, independent of the equally important role of endorser credibility.

## **OBJECTIVES**

Studying the level of awareness of the respondents towards celebrity endorsed advertisement through unaided recall technique

## **RESEARCH METHODOLOGY**

A Multistage Cluster Sampling method was resorted to as the sampling procedure .Recall is the starting point. The second question measures the unaided recall of advertisements and the advertised brands. This question represents the top of the mind consumer response. In this method no product category or brand cues were provided. As suggested in the handbook on consumer research, the respondents' ability for Message and Benefit Recall of the most-liked or attracted ads were assessed with the help of few objective questions. The Top of Mind Awareness helps to gauge the level of brand awareness among the respondents. With regard to the Brand-aided Recall, product category and brand cues were used to elicit recall of the ads. As practiced in previous studies, the researcher showed pictures of ads of popular FMCG products which are endorsed by celebrities. Further the exercise was clubbed with a measurement scale to find out the effectiveness of these celebrity endorsements.

## **ANALYSIS OF THE LEVEL OF AWARENESS TOWARDS CELEBRITY ENDORSED BRANDS**

To have an in-depth understanding of the level of awareness of celebrity endorsement under study unaided recall technique is used to test the effectiveness of advertisements and

commercials and to learn whether respondents are familiar with a particular brand, slogan, or other facet of an advertising campaign. Since no product cues are provided, unaided recall of brands and ads, are considered to be the most powerful tool that helps the researchers to determine the level of awareness of the consumers on the subject under study. With respect to the unaided recall of advertised brands, respondents were given freedom to mention the names of five celebrity endorsements that they remember. It was found that most of them could remember at least one celebrity endorsements. The following table depicts the opinion of the respondents with regard to the role of media in creating awareness

**TABLE 4.1: SHOWING THE OPINION WITH REGARDS TO THE ROLE OF MEDIA IN CREATING BRAND AWARENESS**

Responses	Frequency	Percent
Yes	605	97
No	19	3
<b>Total</b>	<b>624</b>	<b>100</b>

Source: Primary data

**TABLE 4.2: SHOWING THE OPINION OF THE RESPONDENTS WITH REGARD TO THE DEGREE OF NOTICE OF CELEBRITY ENDORSEMENTS**

Responses	Frequency	Percentage
Yes	561	89.9
No	63	10.1
<b>Total</b>	<b>624</b>	<b>100</b>

Source: Primary data

**TABLE 4.3: SHOWING THE PREFERENCES TOWARDS CELEBRITY ENDORSERS OVER NON CELEBRITY ENDORSERS WITH REGARD TO FMCG BRANDS**

Responses	Frequency	Percentage
Yes	433	69.4
No	191	30.6
<b>Total</b>	<b>624</b>	<b>100</b>

Source: Primary data

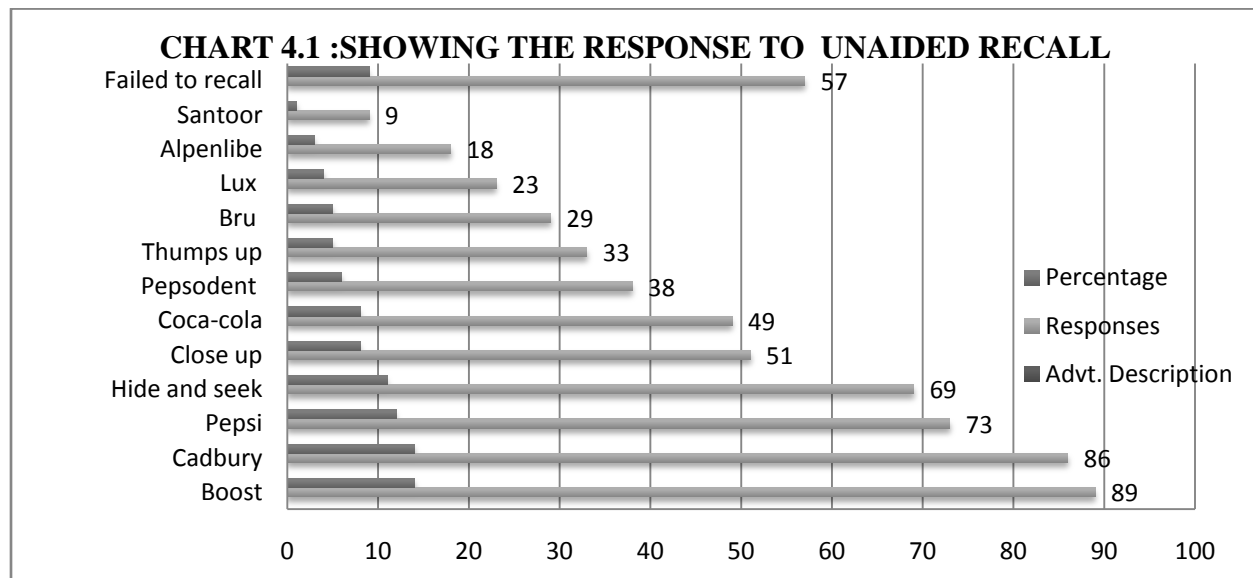
**TABLE 4.4: SHOWING THE RESPONSES TOWARDS UNAIDED RECALLS OF ADVERTISEMENTS**

Brand Names	Advt. Description	Responses	Percentage
Boost	Sachin Tendulkar with the child	89	14
Cadbury	Amitabh Bachchan –Kuch Meetha Ho Jaye	86	14
Pepsi	Ranvir Kapoor- youngisthan	73	12
Hide and seek	Hrithik Roshan dancing with model	69	11
Close up	Surya in the close up ad	51	8
Coca-cola	Amir khan –Tanda Tanda coke	49	8
Pepsodent	Shahrukh	38	6
Thumps up	Akshaya Kumar- adventurous ad	33	5
Bru	Priyanka chopra along with Shahid Kapoor	29	5
Lux	Aiswarya and Abishek Bachchan	23	4
Alpenlibe	Kajol – along with Monkey	18	3



Santoor	Madhavan with the mummy	9	1
Failed to recall		57	9
<b>Total</b>		<b>624</b>	<b>100</b>

Source: Primary data



**TABLE 4.5: SHOWING FREQUENCY OF RECALL OF MESSAGES IN THE CELEBRITY ENDORSEMENTS**

Responses	Frequency	Percentage
Yes	281	45
No	260	41.7
Missing	83	13.3
<b>Total</b>	<b>624</b>	<b>100</b>

Source: Primary data

**TABLE 4.6: SHOWING THE PREFERENCE TOWARDS DIFFERENT CATEGORIES OF ENDORSERS FOR FMCG BRANDS**

Responses	Frequency	Percentage
Film stars	354	56.7
Sports stars	159	25.5
Singers/T.V Stars	60	9.6
Non celebrities	51	8.2
<b>Total</b>	<b>624</b>	<b>100</b>

Source: Primary data

## PRESENTATION OF FINDINGS

The first and the foremost objective revolves around the degree to which the respondents are aware of celebrity endorsements. Unaided recall technique was used to make the study. The unaided recall is considered as the most powerful tool which helps to measure the advertising effectiveness. The respondents belonging to the age group 15-25 and 25-35 are of the opinion that media plays a very important role in propagating the concept of celebrity endorsement in

advertising. Majority of the respondents are exposed to celebrity endorsements in different kinds of media. The statement is supported by the study with the statistical analysis giving a favorable reply. It is found that sixty nine percent of the respondents prefer celebrity endorsers over non-celebrity endorsers. This is one of the main reasons for the proliferation of celebrity endorsements in the media in the past few years. Every, one of the two advertisements aired in the media are endorsed by celebrities. This increase in frequency is attributed to many reasons. India is a land of cinemas and Tamilnadu is a state where people love movies. From politics to purchase, everything revolves around films and its aura. The film stars are considered as celebrities and act as references for the youth. The use of branded products can be attributed to the influence of movies and film stars. The image transfer takes place effectively from the celebrities to products giving the brands a celebrity image. Majority of the respondents are students residing in the semi urban area and they belong to the income category of less than ten thousand rupees. The students constitute the 15-25 age group category.

In the exercise of unaided recall no hint or brand cues were given to the respondents. The respondents were asked to name any celebrity endorsements that they remember. The exercise recorded high level of recall. It was found that Boost, the chocolate drink endorsed by Sachin Tendulkar with the message “Boost is the secret of my energy “is considered to be the most popular and favourite celebrity endorsement.

The repeated featuring of the advertisements in various media and presence of Sachin Tendulkar made the endorsement a big hit. Next in line, is the Cadbury brand endorsement of Amitabh Bachchan. The legendary character and the actor’s magnanimity is the reason for the high recall. The other endorsements that topped the charts are the soft drink ads of Pepsi which are endorsed by Ranbir Kapoor where an effective meaning transfer of youth and freshness is passed on from the celebrity into the brand. Youngsters are attracted to art forms and this helps them to remember the unique dance style of Hrithik Roshan in the Hide and Seek endorsement. But there is an argument that recall of mere brands can be considered only a measure of familiarity. In Unaided Recall of Ads, everybody recalled only TV commercials even when freedom was given to mention both print and internet ads. Though media effectiveness is beyond the main focus of this study, it seems obvious that multimedia approach is more important in creating advertisement awareness.

## CONCLUSION

The empirical results indicate that use of celebrity endorsement helps in increasing the effectiveness and awareness level of contemporary advertisements. There is a strong inclination towards celebrity endorsements when compared to non celebrity endorsements. Results highlight the fact that there is a very strong, positive relationship between the independent and dependent variables namely celebrity endorsement, brand image and purchase behavior. It is quite evident that celebrity endorsements which are conceived in a very creative manner have more communicative effect both in terms of advertising effectiveness and purchase decisions.

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## **DECODING THE PSYCHOLOGICAL ABUSE @ INNOCENT MINDS**

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### **ABSTRACT**

*The present paper is dedicated to all the students who have gone through the experience of psychological abuse during the school days or college days. Through this paper we have tried to present the pain and humiliation being experienced by the innocent students in the schools. For the collection of data we have directly approached the students after the school hours and whatever data collected we included all the data for more transparency of the outcome. For the collection of data 13 attributes are included after conducting pilot study of 67 students. The results is heart touching. We are sure through this paper we will be able to reach more and more out to parents and mentors so that we will be able to communicate the feelings of their loved ones during the school education and hopefully appropriate steps will be initiated like a movement against these unethical practices.*

**KEYWORDS:** *Boys, Girls, Psychological abuse and Perception.*

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### **INTRODUCTION**

The concept of psychological abuse is very relevant for the day to day experience of young and innocent school going children in the present education scenario. We strongly believe that mentor/ tutor is the person who is in such a position to dominate the will of his student or mentee especially in the school level. Through this paper we are trying to decode the psychological abuse experienced by the students in the schools. This is a problem which exists mostly in the secondary level schools. As the saying goes – Guru Bramha, Guru Bishnu, Guru Deva Maheswar. This teaching profession is treated as noble and respectful profession in India. However, in recent times it is found that in secondary level schools and junior colleges of both Government and private sector private tuitions have replaced the class room teaching by the subject teachers in various schools and colleges. The teachers who are expected to do justice to



their given subject in the class room, however most of the times it is found that instead of doing so they are involved in private coaching near by the schools and colleges. This is an additional non-taxable income earned by the subject teachers. By opening these coaching /private tuition they divert the focus from class room to private coaching room. By doing so they expect the students to join in the private coaching classes run by these teachers. To attract the students they use various instruments like calling parents over telephone, calling students directly, using some students for gathering other students allowing group discount, allowing complete fees waiver to the student who will bring a group of students, commission to the students who bring new students, leaking the question paper of the subject before the students who study in their tuition centre, enhancing the marks of the students who enrol as a student in their private coaching centre, engaging other teachers etc. Being a teacher these unethical practices are not expected from them. However this is the ground reality in the present day scenario. Being a parent we some time feel helpless when we interact with our children. Most of the times we feel that these unethical practices are done with the knowledge of top management of the schools. The basic problem may be due to opening of number of schools in the area getting number of new students every year is also a challenging task. This compels the school administration to pay low salary to the teachers in the school. This may be one of the factor in this direction. In addition to this it is also found that even in branded or reputed schools where good number of students have been enrolled and proper compensation is provided to the teaching staff there also the same problem exists. This is all about mind set of particular teacher. Through this paper we are trying to pin point all those teachers who are involved in this practice. Not that every teacher is involved in this practice, however most of the secondary teachers are involved in this. This situation gets worst when single subject is taught by two teachers in a same school and if both are inclined to private coaching. Both try to attract the students to their respective coaching centre. Now the students are in a dilemma of choosing the teacher. If one teacher is chosen the other will have different attitude to that student. This is how our children face problem in day to day life. This causes depression to the student and sometime this leads to extreme steps taken by the students. We have interacted with various parents of different schools and we find that this situation exists in almost every schools. Through this paper we are not trying to criticise the secondary school teachers, we are trying to show reflection of those teachers who are part of this unethical system. Being a teacher, we feel very bad for this. Our focus should be on the nation building process by sharing best of our knowledge in the class room teaching through all the possible means. When we will dedicate our self towards our profession we don't think there is need for these private tuitions. The students and parents should be given freedom for choosing extra private tuitions as per their choice. This should not be interfered by the subject teachers of the school. They should focus on their teaching and deliver in the best possible manner.

### **OBJECTIVE OF THE STUDY**

- To understand the various ways psychological abuse faced by the students
- To provide suggestions wherever necessary.

### **SCOPE OF THE STUDY**

- The study is restricted to selected schools of Capital region of Odisha.
- The period of study is 2 months i.e February 2015 and March 2015.

- The views are collected from school going children of both government and private schools studying standard 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> only.

## **METHODOLOGY**

The present study is based on the primary data collected from the field visit. For this purpose 16 various schools visited and data collected from the students outside the school campus and also visiting their houses. Over all 423 questionnaires were distributed and out of this 258 responses received in overall. This includes 116 girl students and rest are boys. For the purpose of confidentiality the name of the schools are not being mentioned. For the analysis of data 5 point likert scale being used. As far as variables are concerned initially 19 variables were identified by conducting pilot study of 67 students and however after the pilot study the variables were restricted to 13 only.

## **FINDINGS OF THE STUDY**

- ✓ Answering to the question whether mentor threaten and induce fear, in Table-1 of the annexure 68% of boys completely agree and 21% agree. Similarly 77% of girls completely agree and 12% only agree. Taking boys and girls together 89% feel this has been the practice in the class room by the concerned mentors.
- ✓ Responding to the question related to insult by mentors, Table-2, 68% of boys and girls completely agree and 11% agree. Combining together 79% feel they face these problems in the class.
- ✓ With reference to Table-3, answering to the question related to ignoring in the class room 87% of girl students completely agree and 73% boys completely agree taken together 79% feel this has been the experience in the class room.
- ✓ Joining to the question related to mentors lie and withhold information, 79% boys and 83% of girl respondents completely agree and taking the figure together 81% of total respondents completely agree with reference to Table-4.
- ✓ Responding to the question related to misbehave by the mentors almost 93% of the total students feel that they are being misbehaved in the class by the concerned mentors.( Table-5).
- ✓ Answering to the question with reference to Table-6, related to target and false accusing by mentors 68% of the total respondents completely agree and 8% agree. Here the percentage is more in case of girl students' i.e 72 as against 65% by the boys.
- ✓ In table -7, joining to the question related to playing mind game by the mentors, 80% of boys and 82% of girls completely agree. This reflects that the mind game on students are being played by the mentors.
- ✓ Joining to the question related to whether courses are being completed by the mentors as per Table-8, 81% of total boys and girls taken together believe that courses are not properly covered under such given situation.
- ✓ Responding to the question, in Table-9, 82% of students feel that there is lack of dedication in the class room during class teaching in such situation by the concerned teachers.

- ✓ Answering to the question related to providing equal importance to all the students, in Table-10, 76% girls and 62% of boys feel that there is a lack of equal importance or disparity to all the students in the class room.
- ✓ Joining to the question related to spreading negative environment in the class room 84% of all the students agree that this has been the attitude by the mentors in the class room. (Table-11).
- ✓ Responding to the question related to inconsistent approach while awarding marks 93% of girls and 87% boys feel this as practice by such kind of mentors. (Table-12).
- ✓ Regarding manipulation of internal marks by the mentors 87% of total respondents completely agree about this practice by the concerned mentors. (Table-13)

### **SUGGESTIONS**

- ✓ The issues should be raised by the parents jointly together (all the parents as a group). Otherwise the move will bounce back on the children of those parents.
- ✓ The top management of the school should be informed about the mind-set of the students because of a particular mentor.
- ✓ Parents should meet the mentor and inform about the impact on the students.
- ✓ The issue should be informed to education department so that necessary actions will be initiated against that particular mentor.
- ✓ Such school teachers should be banned from taking private classes.

### **CONCLUDING NOTE**

It is very unfortunate that the value of noble profession being hijacked by some self –centric and money minded mentors in the education system. This is not a new issue however in recent times the change in value system and expectations of human being also changed. The materialistic society also having some contribution in this direction. The changed version of expectation forces human beings to do unethical things. In the present context the issues faced by the students is uncalled for. For the sake of fulfilling their own expectations the mentors should not take the route of students. If somebody gives extra tutoring because students demands him for private coaching it is fine. However, he/she should not compel the students for private tuitions by applying various unethical routes. We being teachers/mentors should not forget that good deeds and good teachers are remembered for life atime by the students. If any mentor for short term gain uses his/her mentees, he/she will be remembered for wrong reasons. This will not be appreciated by the students and parents in the long run. We strongly believe the return or reward of the mentor is the time when a mentee after long period when meets you by introducing himself/ herself that he/she was your student in such and such year. That kind of respect can be earned only when mentor is a good human being. These things cannot be demanded from the mentees. The need of the hour is to change the mind-set. For realising or fulfilling our materialistic needs the mentors should not use students as scape goats. We are sure through this paper we will be able to present the feelings of the students before the parents and mentors for the change in psychology of mentors. We also pray through this paper to all those mentors who are indulged in such unethical practices to stay away from this. Let us work for shaping better

human being for free India so that the dreams of parents will be achieved and we can produce the best human resources for our country.

#### ANNEXURE- ANALYSIS OF DATA

1. Do the mentors threaten you and try to induce fear on you when you do not attend the private tuitions provided by them?

Category	F	CA	%	A	%	N	%	DA	%	CDA	%
Boys	142	96	68	30	21	3	2	6	4	7	5
Girls	116	89	77	14	12	2	2	5	4	6	5
Total	258	185	72	44	17	5	2	11	4	13	5

Source- Primary Data, F- frequency, CA- Completely agree, A- Agree, N-Neutral, DA-Disagree, CDA- Completely Disagree

2. Do the mentors insult you when you do not attend private tuitions provided by them?

Category	F	CA	%	A	%	N	%	DA	%	CDA	%
Boys	142	91	64	15	11	17	12	12	8	7	5
Girls	116	84	72	13	11	3	2	5	4	11	11
Total	258	175	68	28	11	20	8	17	7	18	6

Source- Primary Data, F- frequency, CA- Completely agree, A- Agree, N-Neutral, DA-Disagree, CDA- Completely Disagree

3. Do the mentors ignore you in the class when you do not attend the private tuitions provided by them?

Category	F	CA	%	A	%	N	%	DA	%	CDA	%
Boys	142	104	73	23	16	6	4	4	3	5	4
Girls	116	101	87	7	6	3	2	2	2	3	3
Total	258	205	79	30	12	9	3	6	2	8	4

Source- Primary Data, F- frequency, CA- Completely agree, A- Agree, N-Neutral, DA-Disagree, CDA- Completely Disagree

4. Do the mentors lie or withhold information when you do not attend private tuitions provided by them?

Category	F	CA	%	A	%	N	%	DA	%	CDA	%
Boys	142	112	79	14	10	4	3	7	5	5	3
Girls	116	96	83	4	3	7	6	3	2	6	6
Total	258	208	81	18	7	11	4	10	4	11	4

Source- Primary Data, F- frequency, CA- Completely agree, A- Agree, N-Neutral, DA-Disagree, CDA- Completely Disagree

5. Do the mentors misbehave you when you do not attend the private tuitions provided by them?

Category	F	CA	%	A	%	N	%	DA	%	CDA	%
Boys	142	118	83	11	7	4	3	4	3	5	4
Girls	116	108	93	3	2	2	2	2	2	1	1
Total	258	226	88	14	5	6	2	6	2	6	3

Source- Primary Data, F- frequency, CA- Completely agree, A- Agree, N-Neutral, DA-Disagree, CDA- Completely Disagree

6. Do mentors target you and falsely accuse when you are not attending the private coaching classes provided by them?

Category	F	CA	%	A	%	N	%	DA	%	CDA	%
Boys	142	92	65	13	9	6	4	16	11	15	11
Girls	116	84	72	7	6	9	8	10	8	6	6
Total	258	176	68	20	8	15	6	26	10	21	8

Source- Primary Data, F- frequency, CA- Completely agree, A- Agree, N-Neutral, DA-Disagree, CDA- Completely Disagree

7. Do the mentors play mind games when you do not attend their private coaching classes?

Category	F	CA	%	A	%	N	%	DA	%	CDA	%
Boys	142	113	80	14	10	6	4	6	4	3	2
Girls	116	95	82	8	7	4	3	6	5	3	3
Total	258	208	81	22	8	10	4	12	4	6	3

Source- Primary Data, F- frequency, CA- Completely agree, A- Agree, N-Neutral, DA-Disagree, CDA- Completely Disagree

8. Do the teachers complete the course in the class if you are not attending the private coaching classes?

Category	F	CA	%	A	%	N	%	DA	%	CDA	%
Boys	142	10	8	8	5	10	7	16	11	98	69
Girls	116	4	3	8	7	8	7	13	11	83	72
Total	258	14	6	16	6	18	7	29	11	181	70

Source- Primary Data, F- frequency, CA- Completely agree, A- Agree, N-Neutral, DA-Disagree, CDA- Completely Disagree

9. Do the mentors show cent percent dedication during class delivery when you are not attending coaching classes of the mentor?

Category	F	CA	%	A	%	N	%	DA	%	CDA	%
Boys	142	5	4	9	6	15	10	26	18	87	62
Girls	116	7	6	4	3	8	7	13	11	84	73
Total	258	12	4	13	5	23	9	39	15	171	67

Source- Primary Data, F- frequency, CA- Completely agree, A- Agree, N-Neutral, DA-Disagree, CDA- Completely Disagree

10. Do the mentors give equal importance to all the students during class delivery when you are not attending private classes provided by the mentor?

Category	F	CA	%	A	%	N	%	DA	%	CDA	%
Boys	142	15	11	8	5	5	3	16	11	98	62
Girls	116	6	5	7	6	4	3	12	10	87	76
Total	258	21	8	15	6	9	3	28	11	185	72

Source- Primary Data, F- frequency, CA- Completely agree, A- Agree, N-Neutral, DA-Disagree, CDA- Completely Disagree

11. Do the mentors try to create negative environment/disparity with in the class among the students when somebody not attending the private coaching provided by the mentor?

Category	F	CA	%	A	%	N	%	DA	%	CDA	%
Boys	142	94	66	21	15	15	11	8	6	4	2
Girls	116	89	77	13	11	3	2	7	6	4	4
Total	258	183	71	34	13	18	17	15	6	8	3

Source- Primary Data, F- frequency, CA- Completely agree, A- Agree, N-Neutral, DA-Disagree, CDA- Completely Disagree

12. Do the mentor gives inconsistent approach while awarding marks when you are not attending the private coaching classes provided by them?

Category	F	CA	%	A	%	N	%	DA	%	CDA	%
Boys	142	123	87	10	7	5	3	2	2	2	1
Girls	116	108	93	3	2	2	2	2	2	1	1
Total	258	231	89	13	5	7	3	4	2	3	1

Source- Primary Data, F- frequency, CA- Completely agree, A- Agree, N-Neutral, DA-Disagree, CDA- Completely Disagree

13. Do the mentor manipulate the internal marks when you are not attending the private coaching classes conducted by him?



Category	F	CA	%	A	%	N	%	DA	%	CDA	%
Boys	142	121	85	16	11	3	2	3	2	0	0
Girls	116	104	90	3	2	9	8	0	0	0	0
Total	258	225	87	19	7	12	5	3	1	0	0

Source- Primary Data, F- frequency, CA- Completely agree, A- Agree, N-Neutral, DA-Disagree, CDA- Completely Disagree



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## GIVE YOUR STRESS WINGS AND LET IT FLY AWAY

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### ABSTRACT

*Stress has become a pervading feature of people's life in modern world. The modern world which is said to be a world of achievements is also a world of stress. Stress is everywhere, whether it is in the family, business organization, enterprise, institute or any other social or economic activity. Right from birth till death, an individual is invariably exposed to various stressful situations. Despite tremendous advancements in science and technology, and remarkable growth of economy and sources of luxury, people all over the world seem to experience stress in various spheres of their lives. There are plenty of general problems that people at work worry about – increasing job competition, globalization, annual appraisals, financial crisis, and even new technology. Beside these, employees are put under pressure to meet sales targets, attend meetings on time, fit in with changes in organization by learning and following up new procedures. All these can result different levels of stress. Nowadays, working stress is the fastest growing cause of absence from work. Inefficient management, lack of decision-making by management, excessive working hours, and uncertainty as to future employment prospects and the pressure of the job are some of the causes of stress described by employees. It can negatively influence the productivity. Therefore, employers should consider organizational stress as a serious problem and they must take measures to prevent employees suffering stress arising from their work as the ability to manage stress in the workplace can make the difference between success and failure on the job.*

**KEYWORDS:** *workplace stress, coping, social life, health, productivity, success-failure.*

### INTRODUCTION

Surveying definitions of stress, Cox (1978) has described three classes of definitions. Stress can be thought of as a response i.e. the stress response to an extreme stimulus; as a stimulus i.e. as

the stressor itself and as an intervening variable. As commonly understood, it is the mismatch between personal resources and environmental demands that leads to the condition called Stress.

The most basic fact about stress is that, like feelings, stress is experienced. The feeling of stress is an act in which there is a reference, not a causal relation to an object that is intended or intentionally present.

In short, stress is a dynamic condition in which an individual is confronted with an opportunity, a demand or resource related to what the individual desires and for which the outcome is perceived to be both uncertain and important. Simplifying the definition of stress for the purpose of this research it may not be taken “as an adaptive response to an external situation that results in physical, psychological, and or behavioral deviations for organizational participants.”

## **OBJECTIVES**

The objectives are;

1. Outlining Stress in today's context,
2. To identify the types of stresses at the work-place,
3. Analyzing the relation between performance and Stress,
4. Elucidating different stress-relief technique.

## **METHODOLOGY**

Information has been sourced from books, articles, various websites. This research paper is based on secondary data for finalization of views and opinions.

## **WORKPLACE STRESS**

Workplace stress is the harmful physical and emotional response that occurs when there is a poor match between job demands and the capabilities, resources, or needs of the worker. These conditions may lead to poor work performance or even injury. Job stress is also associated with various biological reactions that may lead ultimately to compromised health, such as cardiovascular disease. Stress is a prevalent and costly problem in today's workplace.

## **COMMON CAUSES OF EXCESSIVE WORKPLACE STRESS**

- Fear of layoffs
- Increased demands for overtime due to staff cutbacks
- Pressure to perform to meet rising expectations but with no increase in job satisfaction
- Pressure to work at optimum levels – all the time!

## **STRESS TERMINOLOGY**

A stressor is any event or situation that is perceived by an individual as a threat causing the individual to either adapt or initiate the stress response. Therefore, a stressor is a stimulus and stress is a response. Stressor is the cause and stress is the effect. The effects of stress upon a person are cumulative and can cause serious harm if experienced over a long time.

Dr. Selye Hans (1979b) was the first to study the effects of stress. He suggested that stress had four basic variations

1. Good Stress – Eustress
2. Bad Stress – Distress
3. Overstress – Hyper stress
4. Under stress – Hypo stress

### **1) GOOD STRESS – EUSTRESS**

It is the positive, desirable stress that keeps life interesting and helps to motivate and inspire people. Eustress involves successfully managing stress even if the individual is dealing with a negative stressor. It implies that a certain amount of stress is useful, beneficial and even good for health. There is increased energy, high motivation, shared perceptions and the performance improves quantitatively as well as qualitatively. Moderate doses of eustress help to improve an individual's performance.

### **2) BAD STRESS DISTRESS**

It refers to the negative effects of stress that drains an individual out of his energy and goes beyond his capacities to cope. This is a situation of high stress distress showing a drastic negative change in performance. The possibility of role overload may force the individual to commit errors, make him indecisive and cause irritation in him at the slightest pretext.

There may be a case of no stress distress also. Role underutilization creating boredom, decreased motivation, absenteeism and apathy are all signs of no stress distress. It is undesirable negative stress.

### **3) OVER STRESS - HYPER STRESS**

It means too much stress. It can lead to physical and emotional breakdown. Work overload can be a common source of over stress.

### **4) UNDER STRESS - HYPO STRESS**

Under stress refers to too little stress leading to boredom, lethargy and frustration. Work under load and no work at all may lead to hypo stress in some situations.

According to another classification given by Selye Hans, stress can be acute and chronic in its effects.

Acute Stress it is the result of short term stressors. It is usually quite intense initially and then disappears quickly. It can be exciting and stimulating in small doses, but too much leads to fatigue. People who experience this stress, tend to be over aroused, irritable, anxious and tense. Its symptoms include tension, headaches, migraines, digestive disorders, hypertension, chest pain and heart disease.

Chronic stress it is a long term stress usually resulting from nagging problems. In case of chronic stress, a person's physical and mental resources are depleted. Chronic stress can lead to suicide, heart attack and violence. Long term chronic stress results in stress related disease and reduces the quality of life.

### **WHAT ARE THE SIGNS OF STRESS?**

When we face a stressful event, our bodies respond by activating the nervous system and releasing hormones such as adrenalin and cortisol. These hormones cause physical changes in the

body which help us to react quickly and effectively to get through the stressful situation. This is sometimes called the 'fight or flight' response. The hormones increase our heart rate, breathing, blood pressure, metabolism and muscle tension. Our pupils dilate and our perspiration rate increases. While these physical changes help us try to meet the challenges of the stressful situation, they can cause other physical or psychological symptoms if the stress is ongoing and the physical changes don't settle down.

These symptoms can include

- Headaches, other aches and pains
- Sleep disturbance, insomnia
- Upset stomach, indigestion, diarrhoea
- Anxiety
- Anger, irritability
- Depression
- Fatigue
- Feeling overwhelmed and out of control
- Feeling moody, tearful
- Difficulty concentrating
- Low self-esteem, lack of confidence
- High blood pressure
- Weakened immune system
- Heart disease

### **THE WORK-PLACE STRESS**

There are 2 main categories of workplace stress:

1. External stress and
2. Internal stress.

External stress this is caused by things that are happening outside of individual's control.

Examples include:

Loud factory noise,

Complaining customers or

Continual interruptions by colleagues

### **INTERNAL STRESS**

Internal stress is usually caused by the individual's own feelings or perceptions. For example, one may feel inadequate in his job, or feel dissatisfied with it. Or he might feel that he is not properly rewarded for the work he has put in. Ignoring the problem is the worst thing one can do

as it will simply increase. Unless one expresses his feelings, they will build up and create a vicious circle until one is so stressed that he can no longer function and becomes ill.

### **FACTORS INFLUENCING THE EFFECTS OF STRESS AND STRESS SUSCEPTIBILITY**

A person's susceptibility to stress can be affected by any or all of these factors, which means that everyone has a different tolerance to stressors. And in respect of certain of these factors, stress susceptibility is not fixed, so each person's stress tolerance level changes over time:

- childhood experience (abuse can increase stress susceptibility)
- personality (certain personalities are more stress-prone than others)
- genetics (particularly inherited 'relaxation response', connected with serotonin levels, the brain's 'well-being chemical')
- immunity abnormality (as might cause certain diseases such as arthritis and eczema, which weaken stress resilience)
- lifestyle (principally poor diet and lack of exercise)
- duration and intensity of stressors (obviously...)

### **STRESS RELIEF POINTERS**

- Think really seriously about and talk with others, to identify the causes of the stress and take steps to remove, reduce them or remove yourself (the stressed person) from the situation that causes the stress.
- Understand the type(s) of stressors affecting you (or the stressed person), and the contributors to the stress susceptibility - knowing what you're dealing with is essential to developing the stress management approach.
- Improve diet - group B vitamins and magnesium are important, but potentially so are all the other vitamins and minerals: a balanced healthy diet is essential. Assess the current diet and identify where improvements should be made and commit to those improvements.
- Reduce toxin intake - obviously tobacco, alcohol especially - they might seem to provide temporary relief but they are working against the balance of the body and contributing to stress susceptibility, and therefore increasing stress itself.
- Take more exercise - generally, and at times when feeling very stressed - exercise burns up adrenaline and produces helpful chemicals and positive feelings.
- Stressed people must try to be detached, step back, look from the outside at the issues that cause the stress.
- Don't try to control things that are uncontrollable - instead adjust response, adapt.
- Share worries - talk to someone else - off-load, loneliness is a big ally of stress, so sharing the burden is essential.
- Increase self-awareness of personal moods and feelings - anticipate and take steps to avoid stress build-up before it becomes more serious.



- Explore and use relaxation methods - they do work if given a chance - yoga, meditation, self-hypnosis, massage, a breath of fresh air, anything that works and can be done in the particular situation.
- Seek out modern computer aids - including free downloads and desktop add-ons - for averting stresses specifically caused by sitting for long uninterrupted periods at a computer screen work-station, for example related to breathing, posture, seating, eye-strain, and RSI (repetitive strain injury).

The two simplest ways to reduce stress susceptibility, and in many situations alleviate stress itself (although not removing the direct causes of stress itself) are available to everyone, cost nothing, and are guaranteed to produce virtually immediate improvements. They are diet and exercise.

## **STRESS RELIEF-TECHNIQUES AT WORK**

### **A. THE STEPS**

There are a variety of steps one can take to reduce both overall stress levels and the stress one can find on the job and in the workplace. These include:

1. Taking responsibility for improving physical and emotional well-being.
2. Avoiding pitfalls by identifying knee jerk habits and negative attitudes.
3. Learning better communication skills to ease and improve relationships with management and coworkers.

(b) The human body has its own relaxation response that serves to counter stress. This relaxation response can be activated by different techniques, including deep breathing, visualization, progressive muscle relaxation, meditation, and yoga. By practicing these Stress Relief Techniques daily, stress levels reduce. They increase feelings of joy and happiness. Staying calm is a must in the event of stressful situations.

**(C) INTRODUCING HI-TECH:** Technology has made our lives easier in so many ways. But more and more administrative professionals are feeling embattled by a productivity challenge. Technology has freed administration from some clerical tasks and streamlined others, creating exciting opportunities for more management responsibility. But it's also meant heightened expectations from bosses and supervisors. The following tips are given to combat office stress:

1. Differentiating between Work-place and Thinking –place
2. Not mixing Work-time and Personal-time
3. Allotting specific time for Visitors
4. Not to do any office work during lunch time
5. Fixing regular time for Tea and games.
6. Having a Yoga-break rather than Coffee-break.
7. Streamlining the diet
8. Listening to Music
9. Avoiding Newspapers

## 10. Avoiding Strangers

### CONCLUSION

There will be stress throughout your entire life. It is how you use your stress management skills that make the difference! Managing stress can help you have less pain and feel healthier. Everyone's stressors, reactions to stress, and ways of dealing with stress are different. It may take a little experimentation, a little time, and a little practice, but you'll find something that works for you. Keep trying -- and try not to stress about it. By taking control of your thoughts, emotions, and environment you are controlling your life instead of letting stress control you!

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## **JOB SATISFACTION AMONG WOMEN EMPLOYEES: A CASE STUDY OF AIRTEL CIRCLE, CHANDIGARH**

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### **ABSTRACT**

*The overall mission and objectives of most institutions are too large for any single person to accomplish therefore there is a need to have a strong organizational setup. Furthermore, the organizations or institutions must have a systematic way to determine which employees is expected to perform desired function or task in order to accomplish the goals of the organization. These jobs, in turn, provide the mechanism for coordinating and linking the various activities that are necessary for success. In the present paper an attempt has been made to assess the level of job satisfaction among women employees of Airtel circle of Chandigarh.*

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### **INTRODUCTION**

Job is a group of positions that are similar in their duties, such as programmer or compensation specialist. A job consists of set of tasks that are performed by an individual to fulfil or accomplish a purpose. Job satisfaction seems to be key driver of job performance, organisational commitment, and life satisfaction, it's important for managers to understand just how satisfied their employees are. Job satisfaction refers to the positive and negative feelings and attitudes we hold about our job. It depends on many work-related factors, ranging from our assigned parking space to the sense of fulfilment we get from our daily tasks. Personal factors can also influence job satisfaction. These factors include age, health, length of job experience, emotional stability, social status, leisure activities, and family and other social relationships. Our motivations and aspirations, and how well these are satisfied by our work, also affect our attitudes towards our jobs.

Job satisfaction is the psychological feeling of favourableness which an employee has about his job. Many major studies have been conducted to find out the factors which determine job satisfaction and the way it influences productivity in the organisation. Though there is no conclusive evidence that job satisfaction affects output directly because output depends upon on many other unpredictable variables. Nevertheless, job satisfaction is the positive attitude and feeling which the employee holds towards his job.

**SCOPE OF THE STUDY**

In the present work the Job Satisfaction among the women employees working in the Chandigarh Circle of Airtel has been studied.

**OBJECTIVES OF STUDY**

To assess the job satisfaction among the women employees in relation to working conditions.

**HYPOTHESIS**

The women employees working in the Chandigarh Circle of Airtel are satisfied with the existing working conditions.

**RESEARCH METHODOLOGY**

The present study has assessed to the job satisfaction levels among the women employees working in Airtel, Chandigarh. For the purpose of the study both primary and secondary data has been used.

**DATA COLLECTION**

The primary data has been collected through the devised research tools: Interview schedules for women employees. The Secondary data has been collected from the books, available records, internet sites, journals and documents.

**LIKERT SCALE**

The interview schedule has included the statements and questions based on the 5 point Likert Scale and responses have been given the score of 5, 4, 3, 2, and 1 for Strongly Agreed, Agreed, Undecided, Disagreed and Strongly Disagreed responses respectively.

**SAMPLE OF THE STUDY**

The Primary data has been collected from 100 female employees of Airtel, Chandigarh Circle.

In the present paper, the aspect of Job Satisfaction among the women employees of the Punjab Telecom Circle of Airtel has been examined by posing certain statements to the selected sample of (100) female employees of the Punjab Telecom Circle.

**TABLE 1: MY JOB GIVES ME OPPORTUNITIES TO LEARN NEW SKILLS IN MY  
FIELD N=100**

Attributes/ Responses	Ranks	Strongly Agree	Agree	Un- decided	Dis- Agree	Strongly Disagreed
Age (in years)	18-28	4 (36.4)	3 (27.3)	1 (9.1)	3 (27.3)	0 (00.0)
	29-38	8 (27.6)	19 (65.5)	0 (00.0)	2 (6.9)	0 (00.0)
	39-48	5 (21.7)	16 (69.6)	0 (00.0)	2 (8.7)	0 (00.0)
		8	27	1	1	0

	<b>49-60</b>	(21.6)	(73.0)	(2.7)	(2.7)	(00.0)
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Source: Computed from primary data. Figures in parentheses are percentages.

On assessing the job satisfaction among the women employees the aspect which has been examined in the Table 1 for sure established that the job of the women employees provided them opportunities to learn new skills in their field. The responses varying from fair majority (above 60.00 percent) to highly significant majority (above 90.00 percent) were in agreement with the statement barring some disagreed responses (27.3 percent) from the younger most women employees who were yet beginner in their carrier.

The trend of the responses established that with the increase in age the proportion of responses also increased signifying that more of senior women employees in age agreed that their job provided them opportunities to learn new skills.

**TABLE 2: I GET ENOUGH OPPORTUNITIES TO USE PROFESSIONAL SKILLS IN MY DAY TO DAY JOB**

Attributes/ Responses	Ranks	Strongly Agree	Agree	Un- Decided	Dis- Agree	Strongly Disagreed
<b>Age (in years)</b>	<b>18-28</b>	1 (9.1)	6 (54.5)	0 (00.0)	1 (9.1)	3 (27.3)
	<b>29-38</b>	2 (6.9)	22 (75.9)	1 (3.4)	4 (13.8)	0 (00.0)
	<b>39-48</b>	2 (8.7)	14 (60.9)	0 (00.0)	7 (30.4)	0 (00.0)
	<b>49-60</b>	5 (13.5)	29 (78.4)	0 (00.0)	3 (8.1)	0 (00.0)

Source: Computed from primary data. Figures in parentheses are percentages

On examining the aspect that whether women employees get enough opportunities to use their professional skills in their day-to-day job, it was established through the projection of the responses that women employees got enough opportunities to use their skills. The proportion of responses varying from fair majority (above 60.0 percent) to highly significant majority (above 90.0 percent) were in agreement with the statement.

The women employees senior in age were convinced in higher proportion to support the statement than the respondents younger in age.

**TABLE 3: THE ENVIRONMENT OF MY WORK GROUP IS CONDUCTIVE FOR WORKING**

Attributes/ Responses	Ranks	Strongly Agree	Agree	Un- Decided	Dis- Agree	Strongly Disagreed
<b>Age (in years)</b>	<b>18-28</b>	1 (9.1)	7 (63.6)	0 (00.0)	1 (9.1)	2 (18.2)
	<b>29-38</b>	2 (6.9)	22 (75.9)	2 (6.9)	2 (6.9)	1 (3.4)
	<b>39-48</b>	3 (13.0)	13 (56.5)	1 (4.3)	5 (21.7)	1 (4.3)
	<b>49-60</b>	9 (24.3)	24 (64.9)	3 (8.1)	1 (2.7)	0 (00.0)

Source: Computed from primary data. Figures in parentheses are percentages.

The responses to the statement that the environment of their work group has been work conducive, has been analyzed and examined in the Table 3. The majority of the responses varying from fair majority (60.0 percent) to significant majority (above 80.0 percent) were in agreement with the statement that the environment was work conducive.

**TABLE 4: REPETITIVE NATURE OF MY JOB DOES NOT HAVE ANY EFFECT ON MY WORKING**

Attributes/ Response	Ranks	Strongly Agree	Agree	Un- Decided	Dis-Agree	Strongly Disagreed
<b>Age (in years)</b>	<b>18-28</b>	3 (27.3)	4 (36.4)	0 (00.0)	4 (36.4)	0 (00.0)
	<b>29-38</b>	3 (10.3)	16 (55.2)	0 (00.0)	10 (34.5)	0 (00.0)
	<b>39-48</b>	1 (4.3)	15 (65.2)	0 (00.0)	6 (26.1)	1 (4.3)
	<b>49-60</b>	2 (5.4)	11 (29.7)	0 (00.0)	20 (54.1)	4 (10.8)

Source: Computed from primary data. Figures in parentheses are percentages.

The data presented in the Table 4 has been analyzed in the context of the statement that repetitive natures of job did not affect the working of the employees. The trend of responses established interesting finding as senior most respondents in age (64.9 percent) were in disagreement with the statement which indicated that repetitive nature of job did affect the working of these employees, may be they got bore with job profile. However, all other age categories were in agreement with the statement proving thereby that repetitive natures of job did not have any effect on their working.



**TABLE5: I AM SATISFIED WITH ASSIGNED QUANTUM OF WORK**

Attributes/ Responses	Ranks	Strongly Agree	Agree	Un-Decided	Dis-Agree	Strongly Disagreed
<b>Age (in years)</b>	<b>18-28</b>	1 (9.1)	7 (63.6)	0 (00.0)	1 (9.1)	2 (18.2)
	<b>29-38</b>	4 (13.8)	21 (72.4)	0 (00.0)	4 (13.8)	0 (00.0)
	<b>39-48</b>	6 (26.1)	15 (65.2)	1 (4.3)	1 (4.3)	0 (00.0)
	<b>49-60</b>	7 (18.9)	25 (67.6)	1 (2.7)	2 (5.4)	2 (5.4)

Source: Computed from primary data. Figures in parentheses are percentages.

The women employee's respondents were satisfied with the assigned quantum of work as the responses varying from high majority (above 70.0 percent) to highly significant majority (above 90.0 percent) were in agreement with the statement signifying their satisfaction with the assigned work load. There were no significant variations in the responses thus no specific descending or ascending trends were available.

**TABLE 6: I AM SATISFIED WITH THE EXTENT OF AUTHORITY GIVEN TO ME TO FULFIL MY RESPONSIBILITIES**

Attributes/ Responses	Ranks	Strongly Agree	Agree	Un-Decided	Dis-Agree	Strongly Disagreed
<b>Age (in years)</b>	<b>18-28</b>	2 (18.2)	3 (27.3)	2 (18.2)	3 (27.2)	1 (9.1)
	<b>29-38</b>	5 (17.2)	22 (75.9)	0 (00.0)	2 (6.9)	0 (00.0)
	<b>39-48</b>	6 (26.1)	13 (56.5)	1 (4.3)	3 (13.0)	0 (00.0)
	<b>49-60</b>	8 (21.6)	24 (64.9)	0 (00.0)	3 (8.1)	2 (5.4)

Source: Computed from primary data. Figures in parentheses are percentages.

On asking about the satisfaction regarding the extent of authority given to the women employees respondents to fulfill their responsibilities, it was seen that responses reflected opposite trends as were seen in the preceding Tables (5). The employees younger in age in lesser proportion were in agreement with the statement in comparison to the other categories of these variables. The trend reflected that respondents younger in age (36.3 percent) found the extent of authority given to them not that satisfactory as compared to the other categories.

**TABLE 7: NATURE OF MY WORK PROFILE KEEPS MY INTEREST ALIVE IN THE WORK**

Attributes/ Responses	Ranks	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagreed
<b>Age (in years)</b>	<b>18-28</b>	1 (9.1)	5 (45.5)	3 (27.3)	2 (18.2)	0 (00.0)
	<b>29-38</b>	6 (20.7)	20 (69.0)	1 (3.4)	2 (6.9)	0 (00.0)
	<b>39-48</b>	6 (26.1)	17 (73.9)	0 (00.0)	0 (00.0)	0 (00.0)
	<b>49-60</b>	9 (24.3)	26 (70.3)	2 (5.4)	0 (00.0)	0 (00.0)

Source: Computed from primary data. Figures in parentheses are percentages.

The analysis of the Table 7 suggested that the respondents varying from majority (above 50.0 percent) to cent percent (100.0 percent) found that the nature of their work profile kept their interest alive in the work. The only noticeable trend was observed that there were variations in the proportion of responses. The employee respondents younger in age (54.6 percent) found the work interesting in nature whereas either highly significant majority of respondents or cent percent of them in the higher age groups were in agreement with the statement.

**TABLE 8: MY JOB INVOLVES MUCH OF CHALLENGE**

Attributes/ Responses	Ranks	Strongly Agree	Agree	Un- Decided	Dis- Agree	Strongly Disagreed
<b>Age (in years)</b>	<b>18-28</b>	1 (9.1)	3 (27.3)	1 (9.1)	4 (36.4)	2 (18.2)
	<b>29-38</b>	1 (3.4)	19 (65.5)	4 (13.8)	5 (17.2)	0 (00.0)
	<b>39-48</b>	6 (26.1)	9 (39.1)	1 (4.3)	6 (26.1)	1 (4.3)
	<b>49-60</b>	6 (16.2)	26 (70.3)	3 (8.1)	2 (5.4)	0 (00.0)

Source: Computed from primary data. Figures in parentheses are percentages.

On assessing the responses presented in the Table 8, it was evident from the projected trend that majority respondents expressed that their job did not involve much of the challenge. However, the young respondents (54.6 percent) were in disagreement with the statement indicating that women employees of the mentioned categories found their job challenging, and this could be attributed to their being new to the job and job being technical in nature. However, the respondent's senior in age found the job non-challenging in nature which could be reasoned out

to their longer experience in the job which made it possible to tackle the challenges in much easier way.

**TABLE 9: I GET CLEAR INSTRUCTIONS FROM MY SUPERIORS REGARDING MY WORK PROFILE**

Attributes/ Responses	Ranks	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagreed
<b>Age (in years)</b>	<b>18-28</b>	4 (36.4)	6 (54.5)	0 (00.0)	1 (9.1)	0 (00.0)
	<b>29-38</b>	3 (10.3)	22 (75.9)	2 (6.9)	2 (6.9)	0 (00.0)
	<b>39-48</b>	5 (21.7)	12 (52.2)	2 (8.7)	4 (17.4)	0 (00.0)
	<b>49-60</b>	5 (13.5)	29 (78.4)	2 (5.4)	1 (2.7)	0 (00.0)

Source: Computed from primary data. Figures in parentheses are percentages.

On analyzing the data presented in the Table 9, it was found that majority of respondents varying from high majority (above 70.0 percent) to cent percent (100.0 percent), in all the age categories, were in agreement with the statement that the employees received clear instructions from their seniors regarding their work profile. The statement received solid support through the responses as there were hardly any noticeable proportions of dissenting or responses in disagreement. The variations in the responses within variables didn't indicate any specific trend.

**TABLE 10: MY SUGGESTIONS ARE VALUED BY MY SUPERVISORS**

Attributes/ Responses	Ranks	Strongly Agree	Agree	Un- Decided	Dis- Agree	Strongly Disagreed
<b>Age (in years)</b>	<b>18-28</b>	0 (00.0)	4 (36.4)	4 (36.4)	2 (18.2)	1 (9.1)
	<b>29-38</b>	2 (6.9)	16 (55.2)	6 (20.7)	5 (17.2)	0 (00.0)
	<b>39-48</b>	1 (4.3)	12 (52.2)	5 (21.7)	4 (17.4)	1 (4.3)
	<b>49-60</b>	3 (8.1)	23 (62.2)	4 (10.8)	4 (10.8)	3 (8.1)

Source: Computed from primary data. Figures in parentheses are percentages.

The data presented in the Table 10 has been analyzed in relation to the poser that whether the suggestions of the women employees are valued by the supervisors. The respondents in majority, in all the age categories, were in agreement with the statement that the suggestions of the women employees were valued by their supervisors in the organization. The respondents younger in age however, in noticeable proportion (above 30.0 percent) were in agreement but good proportion

of respondents remained undecided to the issue. It was further observed that respondents senior in age were in agreement with the poser in higher proportion. The younger most employees (36.4 percent) in the age variable indicated that employees were not sure of themselves.

## **FINDINGS**

1. The majority of the respondents varying from fair majority (above 60.0 percent) to highly significant majority (above 90.0 percent) were in agreement with the statement that their job provided them opportunities to learn new skills in their field.
2. The majority of the respondents varying from fair majority (above 60.0 percent) to highly significant (above 90.0 percent) were in agreement with the query that women employees got enough opportunities to use their professional skills in their day to day job.
3. The majority of the respondents varying from fair majority (above 60.0 percent) to significant majority (above 90.0 percent) were in agreement with the statement that the environment was work conducive.
4. The majority of the respondents varying from noticeable proportion (above 30.0 percent) to significant majority (80.0 percent) were in agreement with the query that repetitive nature of job did not affect their working.
5. The majority of the respondents varying from high majority (above 70.0 percent) to highly significant majority (above 90.0 percent) were in agreement with the query that they were satisfied with the assigned quantum of work.
6. The majority of respondents varying from highly noticeable proportion (above 40.0 percent) to highly significant majority (above 90.0 percent) were in agreement with the statement that women employees were satisfied with the extent of authority given to them to fulfill their responsibilities.
7. The majority the respondents varying from majority (above 50.0 percent) to cent percent (100.0 percent) in were in agreement with the statement that their job profile kept their interest alive in their work.
8. The majority of the respondents varying from majority (above 50.0 percent) to significant majority (above 80.0 percent) were in agreement with the statement that their job involved much of the challenge.
9. The majority of the respondents varying from high majority (above 70.0 percent) to cent percent (100.0 percent) were in agreement with the statement that women employees received clear instructions from their supervisors regarding their work profile.
10. The majority of the respondents varying from noticeable proportion (above 30.0 percent) to high majority (above 70.0 percent) were in agreement with the query that the suggestions of the women employees were valued by their supervisors in the organization.

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## IMPACT OF POLICY CHANGES ON INDIA'S TRADE IN SERVICES

**Richa Bhanot\***

### ABSTRACT

*This paper reviews the impact of policy changes on services export and imports of India. It also analysis and critically evaluates the India's exports and imports of services. It also estimates and analysis the growth rate of balance of trade and growth rate of trade in services. The Indian economy has witnessed a major boost in the last decade, which can be chiefly attributed to the growth of its service sector. India has emerged as the fastest growing nation in global services trade. One of the key consequences of the advance in science and technology has been the growth in trade across borders. The progress made in the field of transportation, communication and the recent ascent of the internet has opened a Pandora's Box for firms seeking to expand their businesses. The easing of the regulatory framework in conjunction with liberal policies adopted by countries across the globe has made the world a local market place. International trade in goods as well as services has largely benefited from this trend.*

### INTRODUCTION

The Indian economy has witnessed a major boost in the last decade, which can be chiefly attributed to the growth of its service sector. India has emerged as the fastest growing nation in global services trade. One of the key consequences of the advance in science and technology has been the growth in trade across borders. The progress made in the field of transportation, communication and the recent ascent of the internet has opened a Pandora's Box for firms seeking to expand their businesses. The easing of the regulatory framework in conjunction with liberal policies adopted by countries across the globe has made the world a local market place. International trade in goods as well as services has largely benefited from this trend. India has made significant progress in reforming services sectors, notably telecommunications, banking and insurance. India's economic performance has continued to be impressive since 2001/02 and growth has been particularly rapid since 2003/04 averaging over 8.5% with over 9% expected for 2006/07. This performance is largely due to unilateral trade and structural reforms, in particular in services, according to a WTO Secretariat report on the trade policies and practices of India.

Service sector has emerged as the largest and fastest-growing sector in the global economy in the last two decades, providing more than 60 per cent of global output and, in many countries, and even larger share of employment. The growth in services has also been accompanied by the rising share of services in world transactions. Testimony to the rise in international supply of



services is the fact that trade in services has grown as fast as trade in goods in the period 1990-2003 (i.e., 6% per annum). Along with this, worldwide there has been a marked shift of FDI away from manufacturing sector towards services sector. The share of services in total FDI stock has now increased to around 60% since 2002 as compared to less than half in 1990 and only one quarter in 1970s.

In line with the global trend, service sector in India has also grown rapidly in the last decade. Its growth has in fact been higher than the growth in agriculture and manufacturing sector. It now contributes around 51 percent of GDP. In the trade mode, services trade has also grown at the same rate as goods trade over the 1990s (i.e., about 6.5 per cent) and its share in total trade has reached around 24 per cent. Growth of trade in services has also been accompanied by growth in the share of services in total inward FDI. FDI (approvals) into service sector constituted around 30 percent of total FDI approvals in 2003. Interestingly, outward FDI from India has also grown rapidly and in 2003 outward FDI stock in services constituted around 25 % of total outbound FDI stock.

India presents a much impressive picture of services exports in comparison with goods. India has emerged as one of the fastest growing exporters of services in the world outstripping the growth rate of industrial countries as well as all countries taken together. Services contribute over 30 per cent of the total exports of India, while globally this ratio is only about 20 per cent.

India's accelerated economic growth in recent years has been a focus of significant policy discussion and analysis. The services sector has played a pivotal role in this acceleration. Growth in services picked up in the 80's and accelerated in the 90's. Since then, it has become a dominant contributor to economic growth. According to Rakesh Mohan (2008) "...it is the continuing and consistent acceleration in growth in services over the decades, that had earlier been ignored, that really accounts for the continuous acceleration in overall GDP growth". With the increasing use of computers and telecommunication in business transactions, the domain of the services sector is growing bigger day by day. The software industry, and particularly its share in external transactions, has grown at a rapid pace during the last decade.

Services sector growth has been higher than the growth in other sectors such as agriculture and manufacturing sectors. In fact, India's rising per capita GDP is associated with an increase in services. As the economy has grown, the sectoral share given up by the agricultural sector has shifted more to the services sector than to industry. The services sector's share in the gross domestic products has increased from 40.3 per cent in the 80s to 45.7 per cent in the 90's and further to 53.1 per cent in 2000-07. The services sector grew at an annual average of 6.8 per cent in the 80s, 7.6 per cent in the 90s and 9.3 per cent in 2000-07. The years 1995-96 and 2006-07 recorded the high year-to-year growth rate of over 10 per cent in the services sector. The entire decline in the share of agriculture sector in GDP has been picked up by the services sector while manufacturing sector's share has remained more or less the same over the years.

The services sector in India includes trade, hotels and restaurants, railways, transportation by other means, storage and communication, financing, insurance, ownership of dwellings, real estate, business and legal services, public administration and defense and community and personal services. The prime movers of the growth in services are hotels and restaurants, communication and banking and business services (computer related services, renting of machinery, accounting and research development) with recorded growth rates above 10 per cent. Communication services needs special mention because of the phenomenal rise in its growth rate

from 5.6 per cent in the 1980s to 15.5 per cent in the 1990s and further to 25.8 per cent in 2000-07. In the case of business services and hotels and restaurants, there was a significant acceleration in growth in the 1990s and this was maintained in the 2000-2007 period. Other sectors which have shown a significant rise in growth rates include the real estate and other services (community, personal services). The insurance sector was relatively slower to take off, with a sharp step-up only in 2000-2007.

### **OBJECTIVE OF THE STUDY**

The present study is undertaken to analyze India's services exports and imports and its various aspects. Specifically, the objectives are:

- i. To analyze and critically evaluate the India's services exports and imports.
- ii. To analyze the impact of policy changes on services exports and imports.

### **LITERATURE REVIEW**

In the analysis of the India's service sector, Eichengreen and Gupta (2011), reveals that modern services that are growing rapidly are now large enough where their future performance could have a significant macroeconomic impact. They have found that manufacturing sector is no longer main destination for the vast majority of Indian labour and modern services are viable destination only for the highly skilled ones.

Banga's, study on critical issues in India's service-led growth has shown that service sector has witnessed tremendous growth in the last ten years but growth in it has been lopsided and jobless. Some sectors have witnessed a double digit growth rate in the last decade, e.g., communication and business services, while some have experienced fall in their growth rates, e.g., railways, real estate and dwellings. The sectors that witnessed negative growth rates and those that have experienced slow growth rates are also the sectors that have large potential for generating employment, e.g., construction, transport and professional services. It has also been argued that in terms of service-led growth India is not an outlier. Growth in services has led to higher use of services in manufacturing sector which led its higher output and productivity growth.

Mattoo, Randeep and Arvind (2001), explain how the output growth effect from liberalizing the service sectors differs from the effect from liberalizing trade in goods. Their study revealed that the growth rates in countries with fully open telecommunications and financial services sectors are up to 1.5 percentage points higher than those in other countries.

Kireyev (2002), have empirically tested that financial services liberalization and stability go hand in hand; they are co integrated. The liberalization of trade in financial services can be considered an efficient policy instrument at the disposal of and, under effective control by, the authorities, useful for achieving a variety of macroeconomic goals.

India has emerged as a trading services provider in the post reforms period. In the analysis of India's trade in services, by Burange, Sheetal and Poonam (2009), have shown that services exports in the post reform period have witnessed tremendous growth, especially in the other commercial services category like financial, insurance, legal, computers etc.

There is increasing evidence that services liberalization is a major potential source of gains in economic performance, including productivity in manufacturing and coordination of activities is both between and within firm, Joseph and Bernard (2010). The performance of services sectors,

and thus services policies, may also be an important determinant of trade volumes, the distribution effects of trade and overall patterns of economic growth and development.

Services can be an engine of export growth for some countries – India may be an example (Bosworth and Susan M. Collins 2008)- but more important is that they are a key determinant of the competitiveness of all firms in open economies, no matter what they produce or what types of activities and tasks that they have a comparative advantage in. For this reason, more research is needed on the interaction between services trade policies and regulation, the availability of new or cheaper services through trade and FDI, and the productivity of both firms and farms.

But the acceleration in the services sector growth in India since the 1990 and India's transition to more open liberalized trading regime, which has enabled its trade openness to climb back to the 1950's level and even surpass that level; seems to have correlation, as many of the hitherto non-tradeable service sector activities have become integrated to the rest of the world; Chatterjee (2009).

One of the stylized facts of economic development is that the share of services in GDP and employment rises as per capita income increases; Hoekman (2006). Advances in information and communication technologies are increasingly permitting cross-border, "disembodied" trade in labour-intensive services, accelerating the growth of services activities. There is increasing evidence that services liberalization is a major potential source of welfare gain, and that the performance of services policies, may be an important determinant of trade volumes, the distributional effects of trade, and economy wide growth.

Study by Taneja, Mukherjee, Jayanetti and Jayawardana (2004) point out important areas for bilateral trade in services between India and Sri Lanka in the process of negotiating Comprehensive Economic Partnership Agreement (CEPA). There is significant amount of Indian investment in several sectors like transportation, tourism, construction, health, education, telecommunication and software, energy, retailing, banking and through movement of professional in Sri Lanka but Indian investors face problems such as political and economic stability, licensing requirement, high license fees, requirement of local management and staffing, transparency and bureaucratic delays, lack of knowledge about Sri Lankan market, shortage of local skills and restriction on import of equipment. The study shows that there is movement of people between the two countries. While Indians face problems mostly with professional regulatory bodies in Sri Lanka, Sri Lankan face problems related to visa requirements imposed by India. So the study suggests measures for removal of such barriers through the CEPA. The inclusion of services in the agreement would give an impetus to trade.

According to Eichengreen and Poonam (2009), the positive association between the service sector share of GDP and per capita income is one of the best known regularities in all of growth and development economies. They have identified two waves of service sector growth, a first wave in countries with relatively low levels of per capita GDP and a second wave in countries with higher per capita incomes. The first wave appears to be made primarily of traditional services, the second wave of modern (financial, communication, computers, technical, legal, advertising and business) services that are receptive to the application of new information technology and increasingly tradable across borders.

## DATA COLLECTION AND METHODOLOGY

For the purpose of the study the secondary data were compiled from various publications and internet. The analysis is based on time series data for the last 20 years. For the analysis of data semi- log equations have been used.

Following equations have been used for the purpose of analysis:

$$Y = f(t)$$

where, Y is a dependent variable

t is a time period

$$Y = a + bt$$

The above equation is a simple linear equation.

Therefore, we have used exponential equation,

$$Y = e^{a+bt}$$

The above equation is a non-linear equation on which we cannot apply Ordinary Least Square (OLS) method. Therefore we have used semi-log equation to determine the annual compound growth rates in the growth of services exports and imports.

Taking log both sides in the above exponential equation, we get

$$\text{Log } Y_t = a + bt \quad \text{equation 1}$$

$$\text{Log } Y_{t+1} = a + b(t+1) \quad \text{equation 2}$$

Subtracting equation 2 from equation 1, we get

$$\text{Log } Y_{t+1} - \text{Log } Y_t = a + b(t+1) - (a + bt)$$

$$\text{Log } Y_{t+1} / \text{Log } Y_t = a + bt + b - a - bt$$

$$\text{Log } (Y_{t+1} / Y_t) = b$$

Where, 'b' is compound annual growth rate.

We have further used dummy variables in the regression analysis to measure the impact of policy changes and economic changes on services exports and imports. The equation used is as follows:

$$\text{Ln}Y = a + D1 + D2 + b1T + b2D1T + b3D2T$$

	Base Period	First Period	Second Period
Intercept / Intercept Dummy	A	$a + D1^*$	$a + D2^*$
Slope / Slope Dummy	b1	$b1 + b2D1T^*$	$b1 + b3D2T^*$

\*slope and intercept dummy will be added only if the test is significant.

## ESTIMATION OF GROWTH RATE OF BALANCE OF TRADE IN SERVICES

Balance of trade is the difference in value over a period of time between nation's imports and exports of goods and services. The balance of trade is a part of a larger economic unit, the balance of payments, which includes all economic transactions between residents of one country and those of other countries. If a nation's exports exceed its imports, the nation has a favorable

balance of trade, or a trade surplus. If imports exceed exports, an unfavorable balance of trade, or a trade deficit, exists.

For estimating growth in balance of trade in services, we cannot simply deduct imports from exports. For this, we need to find separately the growth rate of exports and growth rate of imports using semi-log equations. Then we deduct the growth rate of imports from growth rate of exports to get the growth rate of balance of trade in services.

### ESTIMATION OF GROWTH RATE IN TRADE IN SERVICES

To find out the growth rate in trade in services, we find out the total of exports and imports. Then we find the log of total exports and imports. Using semi-log equation we run regression equation to find out the growth in trade in services.

### ANALYSIS OF INDIA'S TRADE IN SERVICES

<b>TABLE 1 : EXPORT AND IMPORT OF SERVICES (RUPEES CRORES)</b>			
<b>Year</b>	<b>Exports</b>	<b>Imports</b>	<b>Net</b>
1990-91	8169	6408	1761
1991-92	12347	9214	3133
1992-93	13721	11023	2698
1993-94	16510	14833	1677
1994-95	19260	17377	1883
1995-96	24748	25450	-702
1996-97	26565	23944	2621
1997-98	35102	30159	4943
1998-99	55527	46413	9114
1999-00	68137	50467	17670
2000-01	74555	66650	7905
2001-02	81739	65850	15889
2002-03	100419	82775	17664
2003-04	123175	76794	46381
2004-05	193711	124880	68831
2005-06	255668	153057	102611
2006-07	333093	200029	133064
2007-08	363042	206798	156244
2008-09	467915	239606	228309
2009-10	443881	281356	162525

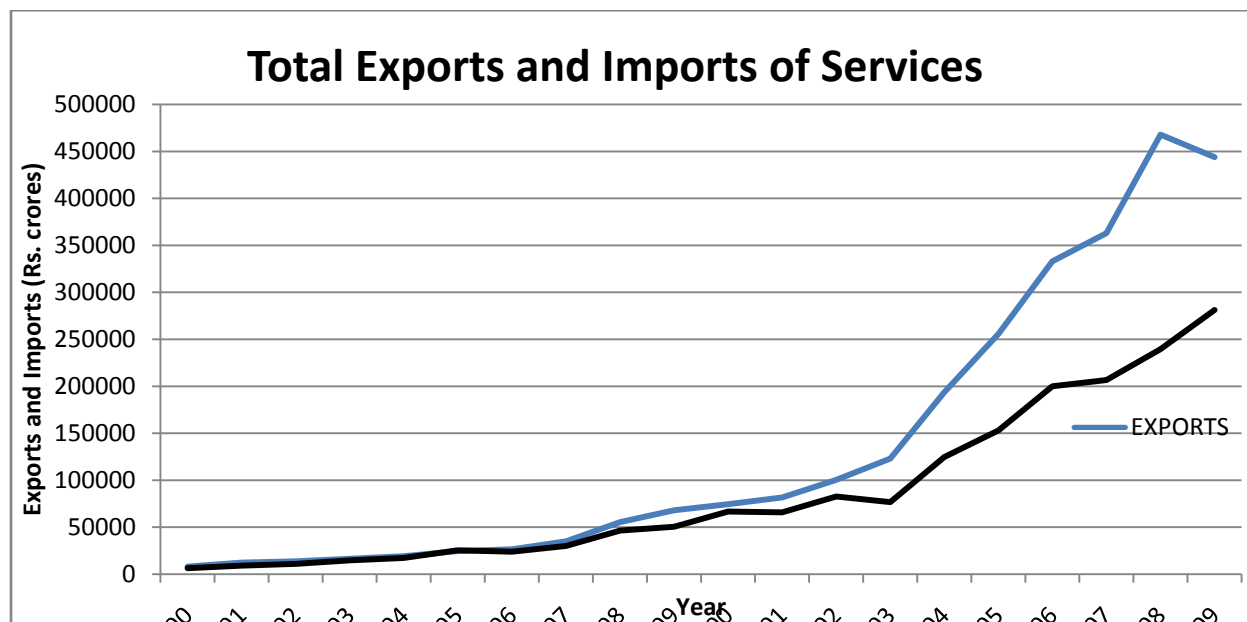
Source: Handbook on Statistics on Indian Economy 2009-10, RBI

The above table depicts total services of India reported by RBI.

A striking feature of India's growth performance over the past decade has been the strength of the service sector. The preponderance of services over industry is not a recent phenomenon for the Indian economy but has been in place since the beginning of the 1950's. With the decline in

primary sector (i.e. mostly the agricultural sector), keeping in mind the conventional wisdom of development, the predominance of the services ahead of industry stands as a departure from development theory.

The total services exports and imports of India can be shown with the help of chart given under:



It is clear from the above figure that India's total services exports and imports are showing an exponential trend. Services exports are increasing at an increasing rate. From 1990 to 1997, the growth rate is less in comparison to later years. From the year 1998 onwards the total services exports started rising. After 2003, services exports have shown a steep rise but it has dipped in the year 2009 as a result of global financial crisis.

The trend in India's services imports is similar to its services exports. From 1990 to 1997, services imports are same as its exports. Services import dipped in year 2003 and then it started increasing at an increasing rate, with a fall in it, in the year 2007 and then it has increased.

Firstly, we will analyze the impact of policy changes on India's services exports and imports. For this purpose the whole period is divided into three sub-periods. First period from year 1990-1994, this is the liberalization phase. The second period is from year 1995-2001 in which WTO was established; India being a founder member of WTO adopted its policies which lead to an entire change in the formulation of the foreign policy. Also, on January 1995 as a result of Uruguay Round negotiations GATS was established to provide for the extension of the multilateral trading system to services. India made initial commitments at the time of entry of GATS into force. In the early 2000 the European Union and US economy were in recession prior to that the world economy was facing the Asian financial crisis of 1997 which raised fears of world economic meltdown. This period also witnessed the dot com bubble or IT bubble which ended in 2000. The third period is from the year 2002-2009. From the year 2002 the world economy starts reviving.

The trend in total exports and imports of services for the three sub periods can be explained with semi-log equation using dummy variables. Semi-log equation using dummy is as follows:



$$\ln Y = a + D1 + D2 + b1T + b2D1T + b3D2T$$

Where,  $\ln Y$  is the log of dependent variable

$a$  is the intercept

$T$  is the time period

$D1 = 1$ , if there is an impact of establishment of GATS on services exports and imports

$= 0$ , otherwise (i.e., there is no impact)

$D2 = 1$ , if there is an impact of world recovery on services exports and imports

$= 0$ , otherwise (i.e., there is no impact)

$b1$  = slope coefficient

$b2$  = slope dummy for dummy  $D1$ , gives the difference in slopes of base period and first period

$b3$  = slope dummy for dummy  $D2$ , gives the difference in slopes of base period and second period

We assume that there is no impact of policy changes on services exports and imports and alternate hypothesis that there is no impact of policy changes on services exports and imports.

Firstly regression analysis is on done on services exports which are followed by the regression analysis on services imports to analysis the impact of policies on them. The regression analysis is as follows:

TABLE 2 :EXPORTS OF SERVICES (RUPEES CRORES)										
Year	Exports	D1	D2	Year	LSX	Year	D1	D2	D1T	D2T
1990	8169	0	0	1990	9.008102	1990	0	0	0	0
1991	12347	0	0	1991	9.421168	1991	0	0	0	0
1992	13721	0	0	1992	9.526683	1992	0	0	0	0
1993	16510	0	0	1993	9.711722	1993	0	0	0	0
1994	19260	0	0	1994	9.865786	1994	0	0	0	0
1995	24748	1	0	1995	10.1165	1995	1	0	1995	0
1996	26565	1	0	1996	10.18735	1996	1	0	1996	0
1997	35102	1	0	1997	10.46601	1997	1	0	1997	0
1998	55527	1	0	1998	10.92462	1998	1	0	1998	0
1999	68137	1	0	1999	11.12928	1999	1	0	1999	0
2000	74555	1	0	2000	11.21929	2000	1	0	2000	0
2001	81739	1	0	2001	11.31129	2001	1	0	2001	0
2002	100419	0	1	2002	11.51711	2002	0	1	0	2002
2003	123175	0	1	2003	11.72136	2003	0	1	0	2003
2004	193711	0	1	2004	12.17412	2004	0	1	0	2004
2005	255668	0	1	2005	12.45164	2005	0	1	0	2005
2006	333093	0	1	2006	12.71618	2006	0	1	0	2006
2007	363042	0	1	2007	12.80227	2007	0	1	0	2007
2008	467915	0	1	2008	13.05604	2008	0	1	0	2008



2009	443881	0	1	2009	13.00331	2009	0	1	0	2009
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Where,

LSX = log of services exports

**TABLE 3 : REGRESSION STATISTICS**

	Coefficients	Standard Error	t Stat	P-value
Intercept	-390.073	84.386	-4.622506149	0.0003951841
Year	0.200592	0.0424	4.7351651517	0.0003192601
D1	-49.5334	98.384	-0.503469434	0.6224628775
D2	-56.5138	94.018	-0.601093294	0.5573855061
D1T	0.024819	0.0494	0.502910351	0.6228459533
D2T	0.028287	0.0471	0.600107869	0.5580237009

As the p-values for all the variables are more than 0.05, which is the significance level, this implies that it is not highly significantly different from zero. That is testing null hypothesis that there is no impact of policies and world recovery on services exports, at 5 % significance level, we find that p-values are more than 0.05, which is our level of significance. So, we do not reject the null hypothesis as our test results are insignificant. We rather accept the null hypothesis that there is no impact of policy changes like establishment of GATS and world recovery on India's services exports. We can state that the annual compound growth rate of services exports in all the periods, that is, base period (1990-1994), first period (1995-2001) and second period (2002-2009), is 20.05% p.a.

**TABLE 4 : RESIDUAL OUTPUT**

Year	Predicted LSX	Residuals	PRE - SX	SX
1990	9.105507848	-0.0974061	9004.753178	8169
1991	9.306099942	0.11506846	11004.94441	12347
1992	9.506692037	0.01999075	13449.43043	13721
1993	9.707284132	0.0044374	16436.90075	16510
1994	9.907876227	-0.0420905	20087.96637	19260
1995	10.08867316	0.0278268	24068.83575	24748
1996	10.31408413	-0.1267343	30154.33965	26565
1997	10.53949509	-0.0734817	37778.48705	35102
1998	10.76490606	0.15971861	47330.3047	55527
1999	10.99031703	0.13895864	59297.17991	68137
2000	11.21572799	0.00356439	74289.72975	74555
2001	11.44113896	-0.1298524	93072.95818	81739
2002	11.62917738	-0.1120707	112327.8804	100419
2003	11.85805635	-0.136695	141217.4742	123175
2004	12.08693532	0.08718731	177537.1789	193711
2005	12.3158143	0.13582071	223197.9441	255668
2006	12.54469327	0.17148374	280602.1958	333093
2007	12.77357225	0.02870156	352770.24	363042

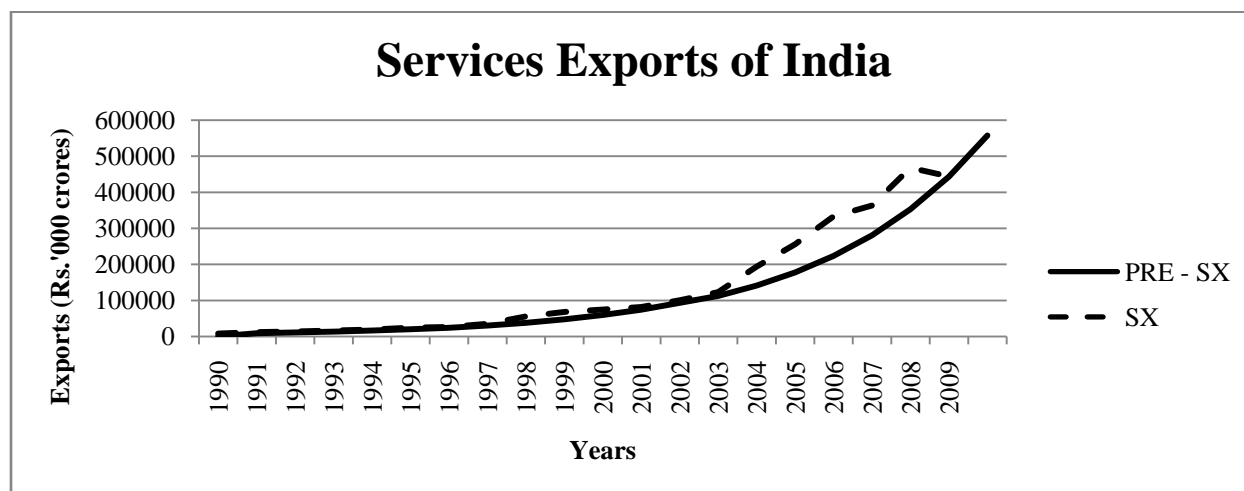
2008	13.00245122	0.05359072	443499.1745	467915
2009	13.23133019	-0.2280184	557562.6725	443881

Where,

PRE-SX = antilog of Log SX

SX = Services Exports

On the basis of the above table we can draw chart showing predicted services exports and the services exports.



As it is clear from the above figure that the predicted SX line is closer to the actual SX line, the predicted SX is the line of best fit as there is no significant difference between both lines giving very small residuals.

Now we can summarize the results of regression using dummy variables in the form a table:

	Base Period (1990-1994)	First Period (1995-2001)	Second Period (2002-2009)
Intercept / Intercept Dummy	-390.073	-390.073	-390.073
Slope / Slope Dummy	20.05%	20.05%	20.05%

Since our test results were insignificant we have not added the differential dummies that is intercept dummy and slope dummy to the intercept and slope of the base period that is we have intercept and slope for the first and the second period same as that in the base period that is the annual compound growth rate of services exports is 20.05% p.a.

Now we will do the same analysis for services imports. The regression analysis is as follows:

TABLE 5 : IMPORTS OF SERVICES (RUPEES CRORES)										
Year	Imports	D1	D2	Year	LSM	Year	D1	D2	D1T	D2T
1990	6408	0	0	1990	8.765302	1990	0	0	0	0
1991	9214	0	0	1991	9.128479	1991	0	0	0	0
1992	11023	0	0	1992	9.307739	1992	0	0	0	0

1993	14833	0	0	1993	9.60461	1993	0	0	0	0
1994	17377	0	0	1994	9.762903	1994	0	0	0	0
1995	25450	1	0	1995	10.14447	1995	1	0	1995	0
1996	23944	1	0	1996	10.08347	1996	1	0	1996	0
1997	30159	1	0	1997	10.31424	1997	1	0	1997	0
1998	46413	1	0	1998	10.74533	1998	1	0	1998	0
1999	50467	1	0	1999	10.82907	1999	1	0	1999	0
2000	66650	1	0	2000	11.10721	2000	1	0	2000	0
2001	65850	1	0	2001	11.09513	2001	1	0	2001	0
2002	82775	0	1	2002	11.32388	2002	0	1	0	2002
2003	76794	0	1	2003	11.24888	2003	0	1	0	2003
2004	124880	0	1	2004	11.73511	2004	0	1	0	2004
2005	153057	0	1	2005	11.93857	2005	0	1	0	2005
2006	200029	0	1	2006	12.20622	2006	0	1	0	2006
2007	206798	0	1	2007	12.2395	2007	0	1	0	2007
2008	239606	0	1	2008	12.38675	2008	0	1	0	2008
2009	281356	0	1	2009	12.54738	2009	0	1	0	2009

Where,

SM = log of Services Imports

**TABLE 6 : REGRESSION STATISTICS**

	Coefficients	Standard Error	t Stat	P-value
Intercept	-482.975314	73.42753083	6.577578037	1.23389E-05
Year	0.247133093	0.036861201	6.704423249	1.0033E-05
D1	107.2431925	85.60836873	1.252718562	0.230829477
D2	112.1018237	81.80939351	1.370280587	0.192172921
D1T	-0.05376517	0.042942	1.252041569	0.231068751
D2T	-0.05624465	0.041015358	1.371307017	0.191860103

As the p-values for all the variables are more than 0.05, which is the significance level, this implies that it is not highly significantly different from zero. That is testing null hypothesis that there is no impact of policies and world recovery on services imports, at 5 % significance level, we find that p-values are more than 0.05, which is our level of significance. So, we do not reject the null hypothesis as our test results are insignificant. We rather accept the null hypothesis that there is no impact of policy changes like establishment of GATS and world recovery on India's services imports. We can state that the annual compound growth rate of services imports in all the periods, that is, base period (1990-1994), first period (1995-2001) and second period (2002-2009), is 24.71% p.a.

**TABLE 7 : RESIDUAL OUTPUT**

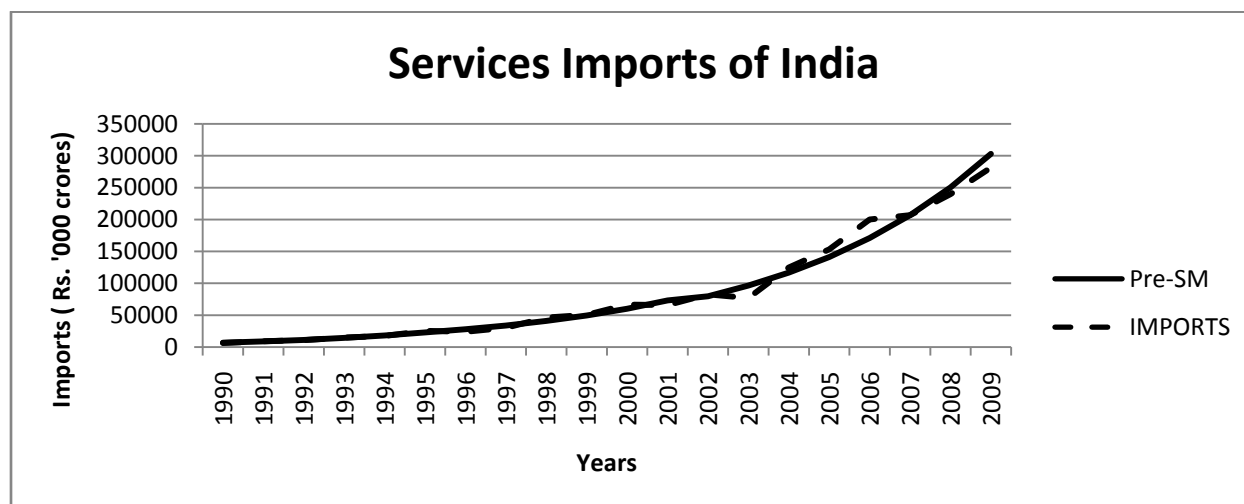
Year	Predicted LSM	Residuals	PRE- SM	SM
1990	8.819540533	-0.054238044	6765.155543	6408
1991	9.066673625	0.06180572	8661.763563	9214
1992	9.313806718	-0.00606744	11090.0847	11023
1993	9.560939811	0.043669896	14199.18448	14833
1994	9.808072904	-0.045170132	18179.91885	17377
1995	10.03688731	0.107583712	22854.13424	25450
1996	10.23025523	-0.146782184	27729.5867	23944
1997	10.42362316	-0.109384493	33645.11515	30159
1998	10.61699108	0.128343789	40822.59812	46413
1999	10.81035901	0.01871593	49531.24724	50467
2000	11.00372693	0.103483395	60097.70485	66650
2001	11.19709486	-0.101960148	72918.29562	65850
2002	11.28517545	0.038705917	79632.33005	82775
2003	11.47606389	-0.227182099	96380.95417	76794
2004	11.66695233	0.06815622	116652.2231	124880
2005	11.85784078	0.080724901	141187.0349	153057
2006	12.04872922	0.157488411	170882.117	200029
2007	12.23961767	-0.000119918	206822.8002	206798
2008	12.43050611	-0.043754926	250322.687	239606
2009	12.62139456	-0.074018507	302971.6625	281356

Where,

PRE-SM = antilog of Log SM

SM = Services imports

On the basis of the above table we can draw chart showing predicted services imports and the services imports.



As it is clear from the above figure that the predicted SM line is closer to the actual SM line, the predicted SM is the line of best fit as there is no significant difference between both lines giving very small residuals.

Now we can summarize the results of regression using dummy variables in the form a table:

	<b>Base Period (1990-1994)</b>	<b>First Period (1995-2001)</b>	<b>Second Period (2002-2009)</b>
Intercept / Intercept Dummy	-482.975314	-482.975314	-482.975314
Slope / Slope Dummy	0.247133093	0.247133093	0.247133093

Since our test results were insignificant we have not added the differential dummies that is intercept dummy and slope dummy to the intercept and slope of the base period that is we have intercept and slope for the first and the second period same as that in the base period that is the annual compound growth rate of services imports is 24.71% p.a.

### ESTIMATION OF GROWTH RATE OF BALANCE OF TRADE

Growth rate of exports is 20.05% p.a and growth rate of imports is 24.71% p.a. Therefore, subtracting growth rate of imports from exports, we get, -4.66% p.a, which is the growth rate of balance of trade. This shows that our balance of trade in services has fallen and became negative.

### CONCLUSION AND RECOMMENDATIONS

India's accelerated growth in recent years has been a focus of significant policy discussions and analysis. The services sector has played a pivotal role in this acceleration. Growth in services picked up in the 80's and accelerated in the 90's. Since then it has become a dominant contributor to economic growth. According to Rakesh Mohan (2008) '... It is the continuing and consistent acceleration in growth in services over the decades, that had earlier been ignored, that really accounts for the continuous acceleration in overall GDP growth.' With the increasing use of computer and telecommunication in business transactions, the domain of the services sector is growing bigger day by day. The software industry, and particularly its share in external transactions, has grown at a rapid pace during the last decade.

Services account for a large share of production and employment in most economies. Its share of the national GDP is higher in developed countries, which it averages 60-70% while it is lower in developing and least developed countries. In India, the sector accounted for 54.1% of the GDP in 2005-06. The world trade in services accounted to US\$ 2.710 trillion in 2006, of which India's share of export of services was about 2.7%.

One of the major results of Uruguay Round was the creation of GATS. By establishing rules and disciplines on policies affecting access to services markets, the GATS greatly extended the coverage of multilateral trading system. The reason that original GATT-1947 did not cover services straightforward: at the time the GATT was negotiated services were mostly non-tradable. It is only relatively recently that technological change and regulatory reforms allowed an increasing number of services to be traded internationally through telecommunications networks.

The study of Indian trade in services has been divided into four parts. First we analyzed the impact of policy changes on services exports and imports. For this purpose data of period from

1990 to 2009 has been divided into three sub-periods. First period from year 1990-1994, this is the liberalization phase. The second period is from year 1995-2001 in which WTO was established in 1995 and was shocked by Asian financial crisis. This period also witnessed the dot com bubble or IT bubble which ended in 2000. The third period is from the year 2002-2009. From the year 2002 the world economy starts reviving. By using semi-log equations and dummy variables, we found that there is no impact of policy changes like establishment of GATS and world recovery on India's services exports. And thus the compound annual growth rate of services exports is same in the sub-period one and two, that is, it is 20.05% p.a. which was in the base period. Similar results were found for services imports. There is no impact of policy changes like establishment of GATS and world recovery on India's services imports. Compound annual growth rate of services imports is 24.71%.

Services sector is mainly a tertiary sector which is dependent on both primary as well as secondary sector. Demand for services is a derived demand that is demand for services is derived mainly from secondary sector that is industrial sector.

India is a major services exporting country with about 3% of the world total service exports. India's exports of services are mainly to the EU and the US. The latter alone accounting for around 11% of India's total services exports. The sub-sectors within services exports that have registered some contraction due to crisis are travel, insurance, business and communication services. Software services exports, which are for some reason classified under miscellaneous receipts for India, have been a major contributor to the growth of services exports. During the crisis most businesses cut costs to cope with the declining revenues. This in turn meant a reduction in IT spending by advanced economies and a negative impact for the growth of Indian software exports. The financial crisis reflected in the slowdown of foreign business visitors and brought down foreign travel receipts by 4% (2008-09). As a related incidence, business and communication services also experienced contraction of 3% and 10% respectively.

India which specializes in business process outsourcing (BPO), information technology (IT) or IT enabled services (ITES) declined in total exports to the United States. According to industry sources, two factors are contributing to the recent slowdown. First, the negative demand shock is being felt particularly in the case of discretionary IT projects. Secondly, there has been a general mood swing against outsourcing in crisis-hit countries, particularly in the US. As far as demand contraction is concerned, there are significant differences between IT and the ITES subsector. Indian exporter's business is more severely affected in IT services, where about 60% of sales are of a discretionary nature, i.e. projects can be withdrawn, or not contracted at all, in times of economic hardship.

Recent data points to an incipient recovery in India's exports, perhaps in line with the fragile beginning of a recovery in global trade. Given that the coming period is most likely to see a relatively weak recovery of global trade, India will have to try and achieve a robust growth in its exports by expanding its share in major markets rather than simply depend on the previous growth of global trade. This will require a major overhaul of the country's export promotion mechanisms. The focus should shift to addressing the binding constraints currently imposed by physical infrastructure, skill shortages and procedural complexities. Improved services trade facilitation helps unlock the unrealized trade potential; more effective policy approaches toward improved trade infrastructure are therefore needed to facilitate services exports from India. Countries / regions such as West Asia, ASEAN, Australia and Brazil are likely to witness faster

recovery than other economies. These countries can provide viable and sustainable alternate markets for reducing India's overwhelming reliance on the US and EU for its exports. There is a need to develop and implement measures that would ensure sustained growth which is not impeded by adverse developments in big foreign markets.





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## **A STUDY OF VARIOUS FRAUDS PREVAILING IN E-TAILING SECTOR IN INDIA**

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### **ABSTARCT**

*E-tailing is a rich segment waiting to be exploited. The growth rate in e-tailing sector is increasing immensely. There are many factors which are responsible for this increase such as spending powers, ease of doing transactions ,internet penetration etc. Internet is a potent medium that can serve as a unique platform for the growth of retail brands in India. When there is an increase in a business, the possibility of frauds increases simultaneously. Online retailing or e-tailing is described as transactions that are conducted through interactive online computer systems, which link consumers with sellers electronically where the buyer and merchant are not at the same physical location. The fraud takes place everywhere between the buyer and seller transactions. Fraud can occur when the consumer is putting his data in the system (Phishing, hacking, spoofing). It occurs when the consumer is paying the payment for the product (Credit-card Fraud, internet banking). There are many other frauds that are prevailing these days in e-tailing sector. With the growth in the frauds, there should be some mechanisms to prevent such frauds. This paper attempts to provide a clear picture about the e-tailing frauds in India and its mechanism to reduce the fraud.*

**KEYWORDS:** *E-tailing, Fraud, Management, Payment, Products.*

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### **INTRODUCTION**

‘E-Tailing’ or ‘Electronic Retailing’ is the sale of goods and services through the internet. It can include B2b and B2C sales. E-tailing requires businesses to tailor traditional business models to the rapidly changing face of the Internet and its users.

Last few years have set the trend for unimaginable growth in the e-Tailing market being currently valued at INR 57.82 billion in 2013 and expected to reach INR 551.54 billion by 2018. The key drivers of this growth include increased internet penetration, greater spending powers and ease of doing transactions among other factors (Dawn, 2011).

With growing market size, looms greater fraud risks from host of factors which may have significant bearing on operations and profitability of the companies. Like, bricks and mortar stores, e-Tailers have their own set of risks and challenges. The types of frauds have been categorized hereunder:

### **CATEOGRY OF FRAUDS**

(Bohm, 2000) There are mainly four categories of frauds:

#### **A) ELECTRONIC-PAYMENTS**

- i) **CYBERCRIME:** Cybercrime is defined as a crime in which a computer is the object of the crime (hacking, phishing, spamming) or is used as a tool to commit an offense (child pornography, hate crimes). Cybercriminals may use computer technology to access personal information, business trade secrets, or use the Internet for exploitive or malicious purpose.
- ii) **PHISHING:** Phishing is the attempt to acquire sensitive information such as usernames, passwords, and credit card details (and sometimes, indirectly, money) by masquerading as a trustworthy entity in an electronic communication.
- iii) **SPOOFING:** A type of scam where an intruder attempts to gain unauthorized access to a user's system or information by pretending to be the user. The main purpose is to trick the user into releasing sensitive information in order to gain access to one's bank account, computer system or to steal personal information, such as passwords.
- iv) **TRIANGULATION:** Triangulation is another method of credit card fraud. The fraudsters operate from a web site and offers goods at heavily discounted rates and with shipping before payment. The fraudulent web site appears to be a legitimate auction or traditional sales web site. The customer must provide information, including name, address, and valid credit card details to the web site. Once the fraudsters receive the details, they order the goods from a legitimate web site using another stolen credit card number and apply for the goods with the customer's name and address. The fraudsters then purchase other goods with customer's credit card numbers. This process causes initial confusion for authorities so the fraudulent Internet company can operate long enough to accumulate a vast amount of goods purchased with stolen credit card numbers.

#### **B) IDENTITY THEFT**

- i) **CREDIT CARD:** Credit card fraud is a wide-ranging term for theft and fraud committed using or involving a payment card, such as a credit card or debit card, as a fraudulent source of funds in a transaction. The purpose may be to obtain goods without paying, or to obtain unauthorized funds from an account. Credit card fraud is also an adjunct to identity theft.
- ii) **INTERNET BANKING:** Internet banking can be used to access the data of the customer such as log in details and password. These details can be further used to transfer the funds from customer accounts to criminal account. Data can be hacked by the criminals just by observing customers at a public Internet access point.

### C) CUSTOMER FRAUD

- i) **CASH-ON-DELIVERY:** COD is most popular payment method in Indian online stores. But there is fear of return that customers may change their mind and refuse to pay. Also there is a fear of amount being stolen from the agent who is carrying a lot of amount.
- ii) **FRIENDLY FRAUD:** Chargeback fraud, also known as friendly fraud, occurs when a consumer makes an online shopping purchase with their own credit card, and then requests a chargeback from the issuing bank after receiving the purchased goods or services. Once approved, the chargeback cancels the financial transaction, and the consumer receives a refund of the money they spent. When a chargeback occurs, the merchant is accountable, regardless of whatever measures they took to verify the transaction.

### D) BUSINESS-PARTNER FRAUD

- i) **LOGISTICS:** This type of fraud takes place between merchant and the vendor of the products. Generally, the products supplied by the vendor can be replaced/misplaced at the time of traveling or at their warehouses. At times, goods are defective or half of the item of the order is lost.
- ii) **COUNTERFEIT PRODUCTS:** Counterfeit products are very often sold at the online portals. 25% of the products sold online are counterfeit. It means the fake copy of the brand or the company uses the name of the established brand to sell its products.
- iii) **UNETHICAL PRODUCTS:** Unethical Products can harm the image of the company selling those products. Although it is prohibited under Indian laws against obscenity to sell unethical products such as sex toys and its accessories.

### MANAGING FRAUD RISKS

(Bakers,1999) Being aware of fraud risks is only a half job done. Companies looking to counter these risks must develop a comprehensive approach which includes building an internal fraud prevention capability. Presently, the companies operate through systems that manually flag frauds by depending on people to look through cloudy transactions. A lot depends on the belief that systems employed as 'false positives' will have negative impact on customers.

Against the above backdrop, the anti-fraud measures to put in place an effective anti-fraud controls for e-Tailors, would necessitate the following:

#### 1. FRAUD RISK MANAGEMENT:

Evaluating the anti-fraud controls in the business processes or functions by assessing its vulnerabilities to fraud is the foundation on which effective anti-fraud processes are built. Does management conduct, document, and update fraud vulnerability assessment periodically (typically annually)? Can management explain key fraud risks that may affect the company's brand, reputation and assets? Many Companies assist organizations in conducting a comprehensive evaluation of anti-fraud controls periodically, using fraud risk management tools that are tailored to an organization's processes and industry that helps detect gaps in their existing anti-fraud controls.

## 2. DATA ANALYTICS

Data analytics is used for detecting fraud and corruption issues by performing tests that can identify and isolate suspicious financial transactions within the vast data fields that hum away in the course of everyday business. Companies can make use of its proprietary tool to interrogate data across the business, based on which electronic data analysis is conducted and specific fraud-risk management issues are investigated. Think of it as a comprehensive Health Check for your business or for detecting anomalies and potential fraud in your business processes or functions. Technology, combined with skilled evaluation of anomalies, using forensic data analytics tool can enhance detection and deterrence capabilities significantly in the business processes or functions of an organization.

## 3. STRENGTHENING EMPLOYEES FRAUD AWARENESS

- **EMPLOYEE CULTURAL SURVEYS:** The findings of these surveys can help in assessing attitudes, awareness and willingness to comply and report, apart from identifying emerging issues.
- **EMPLOYEE ETHICS & FRAUD AWARENESS SURVEY:** Implementation of this web-enabled survey tool can help organizations to understand and analyze employees' perceptions, attitude and experience in the field of fraud and business ethics and thus, identify potential risk factors and historic weaknesses.
- **FRAUD AWARENESS TRAINING PROGRAMS OR ETHICAL DILEMMA WORKSHOPS:** These can be conducted for both senior management and employees, across all levels.
- **FRAUD VULNERABILITY WORKSHOPS:** This workshop can emerge as a highly participative process with staff and management that identifies specific financial fraud vulnerabilities.

## 4. THRID-PARTY SCREENING

Conducting due diligence on business partners such as background checks, desktop research, analyzing financial position and past records, and customer feedbacks could help the companies screen out vendors with dubious history from genuine third-parties. Lack of formal due diligence process could expose companies to financial, regulatory and reputational risks. Organizations can help companies set up risk-based due diligence practice which includes background checks, desktop research, analyzing financial position, past records and customer feedbacks from the stage of on-boarding to third-party compliance program. This kind of screening can be outsourced to the companies which can use their extensive database and widespread network to track and investigate all material elements.

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Each research paper/article submitted to the journal is subject to the following reviewing process:

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2. The articles passed through screening at this level will be forwarded to two referees for blind peer review.
3. At this stage, two referees will carefully review the research article, each of whom will make a recommendation to publish the article in its present form/modify/reject.
4. The review process may take one/two months.
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