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ARTICLES

Consumer Reaction.....Pg. 15

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DIAS Technology Review

The International Journal for Business & IT

INDEX MARCH 2014

ARTICLES

From The Editor's Desk

It is our profound delight to present to our readers, the twentieth issue of DIAS Technology Review.

To remain ubiquitous in today's boundary less global economy stretched across the continents, the organizations have an urgent need of devising and implementing cherry picked strategies. In every functional area of organizational apparatus; be it finance, marketing or human resource, strategy works as neural system, augmenting synergy and efficiency. We have witnessed Indian Banking sector undergoing a metamorphosis in its structure and strategic interactions through consolidation via Mergers and Acquisitions. This strategy was deemed as panacea for optimizing technical knowhow, achieving scale efficiency, curtailing cost and overlap in operations and boosting productivity and profitability in the real sector of our economy. The authors in their research article **'Impact of Merger and Acquisitions on Productivity of Indian Banks'** have tried to scrutinize the extent of merger and acquisition activity affecting the efficiency of our financial sector. The study will be of immense help to feel the pulse of economy by common shareholders, global fund managers and financial regulators, as it gives insights to analysis of corporate restructuring in Indian banking sector.

The information & technology whirlwind has transformed traditional 'Brick and Mortar' organizations in to 'Click and Order' ones, and has facilitated tech savvy customers to surf company's websites before deciding purchase or use a company's products. Enlightened customers, now a day, explore companies ranking on various characteristics such as innovation, greenness, admiration from trade and society at large, along with maintaining their own perceptions of companies' products and services. The article **'Does Inclusion in Best/Worst Lists Drive Revenues? Evidence from Corporate Performance and Consumer Reaction'** maneuvers the issues concerned with company's reputation used for bragging at advertising platform to drive sales and raise stock prices. The author has quizzed upon whether consumers get influenced by these ranking lists or their individual perceptions while making their purchase decisions, which opens new horizons of consumer behaviour helpful in formulating marketing strategies.

An astounding phenomenon of bulging global markets today is the organized retail stores superseding unorganized retail markets. Mounting needs of modern consumers fuelled by visual media, their shopping extravaganza due to high disposable incomes and Government's supportive policies are some of the reasons for soaring importance of retail sector. In their article **'Paradigm Shift to Organized Retail: Empirical Evidence'** the authors plow up certain factors that influence the buying behavior of consumers resulting in a shift from unorganized to organized retailing. The authors have discovered that organized retail stores are strategizing effective segmentation, targeting & positioning of their products and are trying to woo their prospective customers through luring schemes, mobile marketing and data mining tools.

To mark uptick in growth and overcome language barriers in ever expanding 'Knowledge economy' it has become inevitable for organizations to acquire digital competence. ICT-skilled workforce is a precious strategic asset that spurs economic growth, promotes competitiveness, and improves business productivity. The article **'Role of HR practices in enhancing ICT skills in Grade A cities of India'** purports the relevance of ICT programs implemented in IT organizations and the impact of HRM practices on ICT skills of the employees of IT organizations of Grade A cities of India. Since ICT training has become crucial for IT intensive industry, as well as all other sectors of economic activities using technology, the article designates inputs for appropriate training policies for human resource.

The burgeoning international tourism industry carrying huge growth potential cascades lack of professionalism and skill shortage in their organizational functioning. To cater to the quality service expectations of globe-trotting customers, robust training strategy and people's practices are required for Indian agencies especially, to survive and thrive in international tourism market place. In the article **'An Empirical Study of Training and Development in Different Types of Travel Agencies in India'** authors have tried to dig out the vulnerability in the Existing Training Policies, Commitment to Training, Training Practices, Role of Training, Employee Outlook to Training and Training Environment, in Indian tourism sector.

The era of globalization is harbinger of gender equality and women participation in economic activities. Whereas an escalating ratio of working women in India has brought financial independence, it has weighed them down with dual responsibilities. The issue of harnessing female talent in organizations and their performance has been well debated in the article **'Social and Family Problems: A Study of Women Executives Working in NCR'.**

In our quest of acquiring & disseminating knowledge in different areas of business and IT, we are integrating a book review along with most up-to-date research studies of distinguished scholars. We expect that the present edition of this journal, with all its illuminating features will come up to the expectations of our revered readers.

Regards,

Dr. Anju Batra

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Sanjiv Mittal, Monika Chopra***

Impact of Mergers and Acquisitions on Productivity of Indian Banks

ABSTRACT

In this paper, we examine how M&A affect Productivity in case of Indian banking sector. The sample of the study comprises of Indian banks merging from the period 2005-2010. Data Envelopment Analysis along with Malmquist Index approach is employed to test for the impact of Mergers and Acquisitions. We find that the average total factor productivity from 2005-2010 across the eight banks has shown a declining trend. The productivity has marginally increased for Bank of Baroda (0.3%) and Federal Bank (1.5%) but it has declined for all other banks. Overall the total factor productivity has decreased by 1.8%. As this change has not been substantial, it can be said that the merger and acquisition activity has not significantly impacted the total factor productivity of banks in India.. We further observe that the decrease in total factor productivity was mainly due to decrease in technological and pure technical efficiency whereas technical efficiency remain unchanged and scale efficiency increased marginally The study is extremely relevant for common shareholders, global fund managers as well as financial regulators as it gives insights on the relevance on Mergers & Acquisitions in Banking sector. The present research contributes to analysis of corporate restructuring in Indian banking sector.

***Keywords:**Mergers and Acquisitions, Total Factor Productivity, Efficiency, Banking*
***JEL Codes:** G14, C12, C13*

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INTRODUCTION

The structure and regulation of banking sector in India has undergone dynamic changes in the last decade (2000-2010). All important regulatory bodies and policy makers like the Reserve Bank of India (RBI), Ministry of Finance and related government and financial sector entities, have formulated various strategies to improve regulation in the sector which has made it globally competitive on metrics like growth, profitability and non-performing assets (NPAs). The banking index has grown at a compounded annual rate of over 51 per cent since April 2001 as compared to a 27 per cent growth in the market index for the same period. **(McKinsey & Company 2010)**.

In the recent past, the Indian banking system has been undergoing major changes that have affected both its structure and the nature of strategic interaction among banking institutions. Different strategies have been adopted to tackle the demands of this new operating environment; one such strategy has been consolidation via mergers and acquisitions. Mergers are expected to help the banks to strengthen product portfolios, gain competitive advantage, reduce the gestation period for launching new business, achieve economies of scale and thereby enhance efficiency. The mergers are also aimed at exploiting synergies, reducing overlap in operations, reduce costs, reach global size, increase investment in technology for strategic gains and improve shareholder value. These forces of consolidation via merger have been extensively researched in number of studies by **Berger (1999), Dymski (1999), Group of ten (2001), Amel (2004) and Jones and Critchfield (2005).**

In India, the banks have played a significant role in the development of the economy. However, with the structural reforms initiated in the real economy from the early 1990s, it was imperative that a vibrant and competitive financial system should be put in place to sustain the ongoing process of reforms in the real sector. The financial sector reforms have provided the necessary platform for the banking sector to operate on the basis of operational flexibility and functional autonomy, thereby enhancing efficiency, productivity and profitability. **(SP Talwar)**

The efficiency and competitiveness of financial institutions cannot be easily measured, since their products and services are of an intangible nature. **Murray and Whilte (1983)** and **Gilligann (1984)** utilize the translog cost function to examine and evaluate scale and scope of economies in various banking firms across Canada and US respectively. **Hunter (1990)** analyzes U.S. bank production using an intermediation approach and multi-cost production function. The other method of bank performance measurement used by researchers like **Revell (1980)** is financial ratios like interest margin which is calculated as difference between interest income and paid divided by total assets.

The total factor productivity is also one of the measurement criteria that have gained significant attention these days. Productivity can be defined as the ratio of outputs generated by a production unit to the inputs provided by decision making units. **Sink and Tuttle (1989)** promotes that performance is a complex inter-relationship between seven performance criteria vis effectiveness, efficiency, quality, productivity, quality of work life, innovation and profitability. This study focus on productivity as a criteria to measure the impact of mergers and acquisition on efficiency of banks. It uses Data Envelopment Analysis (DEA) and Malmaquist Index (MI) approach to measure productivity of banks and decompose it into technical efficiency, technological efficiency, pure technical efficiency, scale efficiency.

The rest of the paper is organized into following section. Section II - Review of literature; Section III Research Methodology Section IV- Findings and conclusion.

Section II - Review of Literature

This section details the past studies that have been conducted to estimate the productivity and efficiency of banks using DEA and Malmquist Index model.

Saha and Ravishankar (2000) have calculated and analyzed the productivity of twenty five public sector Indian Commercial Banks. They used intermediate approach for input and output variables. Their results concluded that the public sector banks, in general had improved their overall efficiency scores; however, there were few banks which continued to be at lower end of the efficiency scales.

Pal et. al. (2002) estimated the productivity of major Indian commercial banks in 2002. The study's input variables were net worth, borrowings, operating expenses, number of employees in the country and number of bank branches in the country and the output variables were deposits, net profits, advances, non-interest income and spread. The DEA model was applied on these variables to calculate relative efficiency. The sample consisted of 68 banks out of which 24% were efficient. They found that the privately owned banks performed better than the foreign owned banks.

Krishnasamy et al. (2004) analyzed the nature and extent of productivity change of ten anchor Malaysian banks post merger over the period 2000 to 2001 within the framework of DEA. They employed two inputs (i.e. labor and total assets) and two outputs i.e. advances and total deposits). The study found that for the period 2000 and 2001, out of ten banks, only two did not achieve an increase in the total factor productivity. However, overall as a group the ten anchor banks have shown improved performance in terms of total factor productivity by 5.1%. The source of this total productivity change could primarily be attributed to the technological change rather than the technical efficiency change.

Sufian Fadzlan (2005) investigated the productivity change in Malaysian Banks using Malmquist approach. The productivity of these banks has declined by 6.3%. This was mainly due to technological change of negative 6.1%. The study also concluded that there was marginal improvement in scale efficiency of these banks.

Ready (2006) applied DEA approach to estimate the total factor productivity, technical and scale efficiency changes in 192 regional rural banks. Their results concluded that service provision had higher technical efficiency as compared to parent public sector banks. The rural banks had higher profitability in total factor productivity growth. These banks achieved economies of scale due to large asset base and mergers.

Ramakrishna Ramanathan (2007) used DEA and Malmquist productivity Index (MPI) to assess the efficiencies of 55 banks in countries of Gulf Cooperation Council. The input variables were fixed assets, deposits and short term funding, equity, personal expenses and the output variables were loans and other earning assets.

Sanjeev (2006) examined the efficiency of private, public, and foreign banks operating in India and tried to establish relationship between the efficiency and non-performing assets in the banks. The study used DEA for the analysis and concluded that there is an increase in the efficiency in the post-reform period. It was also found that NPA and efficiency are negatively related.

Kumar and Gulati (2007)analyzed the technical efficiency of public sector banks in India. The study used Charnes, Cooper and Rhodes (CCR) model and Andersen and Petersen's super-efficiency models of DEA. The results concluded that, the overall level of technical inefficiency in Indian public sector banking industry was around 11.5%. They also found that as compared to domestically owned private banks and state-owned banks, the foreign banks were more cost efficient but less profit- efficient.

Alias (2008) analysed the productivity of Malaysian banking sector throughout the period of pre- and post-merger years (1993-2004). The study analyzed commercial banks, merchant banks & finance companies. It used Malmquist Productivity index to measure the total factor productivity (TFP) change and its various efficiency components. The results revealed that major productivity increase was because of the technological change, which contributed about 6.1% of productivity growth, rather than the technical efficiency change, which accounts for 0.2% decline. The researchers also found that the merger process led to improvements in productivity and efficiency of the banking sector which could be attributed to the utilization of their scale economies and this ultimately led to improvement in their efficiencies.

Dash and Charles (2009) investigated the technical efficiency of 49 Indian banks, segmented in terms of ownership using DEA. The input variables used were borrowings, deposits, fixed assets, net worth, and operating expenses whereas the output variables were advances & loans, investments, net interest income, and non-interest income. It was observed that 89.8% of the sample banks were efficient and 10.2% were inefficient.

The thorough review of literature concludes that past studies have focussed on analysing the productivity of banks using DEA and MPI. However the impact of mergers on bank efficiency has not been studied so far. The present study takes this research gap and tries to estimate the productivity of Indian Commercial Banks that have undergone mergers and acquisition activity from 2005-2010.

BJECTIVES OF THE STUDY:

The following are the objectives of the study:

1) To decompose efficiency into technical efficiency, technological efficiency, pure technical efficiency, scale efficiency and total factor productivity using Data Envelopment Analysis (DEA).

2) To evaluate and analyze the efficiencies and thereby measure the productivity of banks after merger using Malmquist Productivity Index (MPI).

3) To investigate the extent of merger and acquisition activity affecting the efficiency of Indian Banking sector from 2005-2010.

Section III - Research Methodology

Data and sample of study

The study examined eight commercial banks in India which had been through merger or acquisition process from 2005-2010. Only those banks for which data was available for all the selected variables across five years were considered under the sample. The following mergers were studied:

Bank of Baroda	Corporation Bank
Federal Bank Ltd	HDFC Bank Ltd
ICICI Bank Ltd	IDBI Bank Ltd
State Bank of India	Vijaya Bank Ltd

Variables

The study will examine six input and four output variables for measuring the bank efficiency through DEA.

The input variables are:

1) **Operating expenses:** Operating expensesare the expenses incurred in conducting the bank's ongoing operations. These include human resources cost like cost for regular activities and day to day operations such as salaries and wages of bank's operating staff, establishment cost like rent for building and facilities, repair and maintenance of machines and depreciation; marketing expenditures and administrative and general expenses.

2) **Interest expenses:** Interest expense is the cost incurred by the bank on borrowed funds. The components of this are deposits from customers, financial institutions and other companies.

3) **Borrowings:** The borrowings by the bank can be within India or outside. This generally include refinance, borrowings from RBI, Inter-bank & other institutions

4) **Deposits:** This is the main source of bank's funds. They are classified as demand deposits, savings bank deposits and term deposits

5) **Fixed assets:** Fixed assets in a bank may includepremises, as well capital work in progress, wholly or partly owned by the banking Assets company for the purpose of business. Banks all branch offices building and land will be part of its fixed asset, if these are owned by of bank. Bank may have other fixed assets like furniture, fixtures, equipment, computers and ATM Machines. All addition in it will add in the opening balance of fixed asset.

6) **Net Worth** of a Bank includes paid up capital of bank. If bank is incorporated outside India, then its start up capital will be shown under this schedule in balance sheets. Along with this Reserves & Surpluses including Statutory reserve, Capital reserve, Share premium reserve, revenue reserve and balance of profit & loss account also form a part of net worth.

The output variables are:

1) **Net interest income:** This income measures the difference between interest received on loans given to customers and interest paid by the bank to its depositors. The banks which receive high interest charges have high net interest income leading to better profitability and overall stability.

2) **Non-interest income:** Non-interest income is generated partly by service charges on deposit accounts, but the bulk of it comes from the off-balance-sheet activities, which generate fees or trading profits for the bank. Banks charge fees that provide non-interest income as a way of generating revenue and ensuring liquidity in the event of increased default rates. This component of total income makes up a significant portion of most banks' revenue.

3) **Total loans and advances:** The banks loan includes working capital finance and term finance. Working capital finance is extended for client's operating expenses, purchasing inventory and receivables financing. Under Term Finance, banks offer finance for capital expenditure / acquisition of fixed assets towards starting / expanding a business or industrial unit or to swap with high cost existing debt from other bank / financial institution. The advances of bank includes bills purchased and discounted, cash credits, overdrafts & loans repayable on demand, term loans

4) **Investments:** The investments of bank include investment inside and outside India. The banks can invest in form of government securities, other approved securities, shares, debentures and bonds..

METHODOLOGY ADOPTED:

To estimate the efficiency and productivity of banks in India the study used Data Envelopment Analysis (DEA). Data envelopment analysis (DEA), introduced by Charnes et al. (1978) based on Farrell's work (Farrell, 1957), is a nonparametric technique for measuring the relative efficiency of a set of similar units, usually referred to as decision making units (DMUs). It was initially used to assess the relative efficiency of not-for-profit organizations such as schools and hospitals; however, gradually its application has been extended to cover for-profit organizations as well. Its first application in banking industry appeared with the work of **Sherman and Gold (1985).** Over the years, DEA has emerged as a very potent technique to measure the relative efficiency of banks **(Berger and Humphrey, 1997).** DEA is capable of handling multiple inputs and outputs without requiring any judgment on their importance. DEA identifies the efficiency in a particular bank by comparing it to similar banks regarded as efficient, rather than trying to associate a bank's performance with statistical averages that may not be applicable to that bank **(Avkiran, 2006).** Using linear programming technique, the various DEA models intend to provide efficiency scores under different orientations and assumptions of returns-to-scale **(Kumar and Gulati 2008).**

One of the ways to measure productivity changes under DEA is Malmquist Index. Using Malmquist the profit maximization or cost minimization assumption is not required. Moreover, Malmquist Index does not require input and output prices and it is possible to calculate productivity only with information on quantity. In case of panel data by using Malmquist Index, the productivity change can be decomposed into technical efficiency change (TEC) and technological change (TC). **(Grifell and Lovel 1996).** The drawback of the Malmquist index is the necessity to compute the distance functions, but this problem is solved by the technique of Data Envelopment Analysis (DEA).

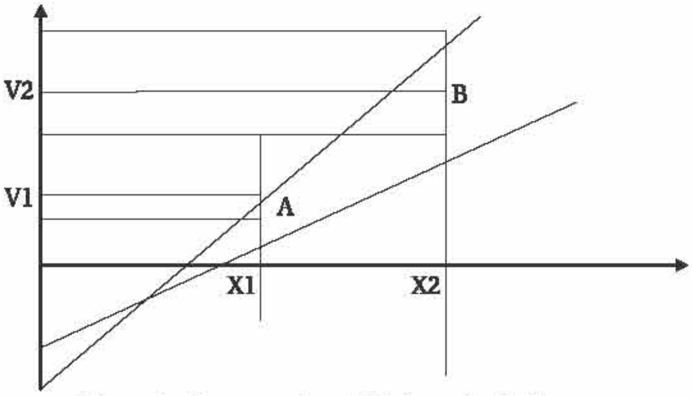

Figure 1: Construction of Malmquist Index

(Fare. 1994), (Kadir, Selamat, Idros 2010): The figure depicts two production frontiers of a certain bank, Bank V of time 1 and time 2, using x as input and y as output. Points A and B are the observations in time 1 and 2, respectively. S1 and S2 are the rays from origin represent the production frontiers for time 1 and 2, respectively.

The Malmquist Productivity Index (MI) measures the productivity changes between frontier S1 and frontier S2 by generally computing the geometric mean of adjacent year's index value, while allowing the best frontier to shift

The Malmquist index and is given by the formula:

$$MI = \sqrt{(Q_1Q_2)/(Q_3Q_4)} \quad \text{------------------------------Eq. 1}$$

where

Q1 = fa(Sa)
Q2 = fa(Sb)
Q3 = fb(Sa)
Q4 = fb(Sb)

The expression in above Equation 1 gives an interpretation of the geometric means of the two efficiency ratios: the first being the efficiency change measured by period technology and the other the efficiency change measured by period technology.

MI>1 indicates progress in the multi-factor productivity of the DMU from period s to t, while MI=1 and MI<1 indicate the status quo and decay in the multi-factor productivity, respectively.

The MI in equation can be further decomposed into technical efficiency change (TEC) and technical change (TC):

$$TFP = TEC \times TC \quad \text{------------------------------Eq. 2}$$

The TEC indicates that if a bank moves closer to the frontier, it means that the bank has converged to the more advanced banks. However, if a bank moves away from the frontier, it means that the bank is diverging away from the more advanced banks.

On the other hand, the TC indicates if the frontier moves outward, it means that there is technological advancement or innovation, taking all the banks in the market into account as well. If the frontier is inward, there is technological decline.

Taking into consideration the applicability of DEA and Malmquist index approach in evaluating the performance of entities, such as educational departments (schools, colleges and universities), agricultures, health care (hospitals and clinics), banking, courts, agricultures, business firms, cities, countries, regions and many other, Data Envelopment Analysis (DEA) and (input-or-output based) Malmquist Index methods are used as the productivity measurements in this study.

As given by Malmquist approach, the total factor productivity is a composition of technical efficiency change, technological change, pure technical efficiency change and scale efficiency.

Technical efficiency means that the given resources are transformed into goods and services without waste, that producers are doing the best job possible of combining resources to make goods and services. There is no waste of material inputs and no workers or resources are idle. The maximum amount of productivity is obtained from the given resource inputs that are producing a larger output with same inputs or same output with less of one or more inputs.

Technological efficiency is an engineering matter and results from introduction of new technologies leading to innovation, new inventions and diffusion of synergies. A company is able to maximize this efficiency by expansion of best production frontier which results into higher output even with given inputs. While technical efficiency focuses number of inputs technological efficiency emphasis the quality of inputs.

Pure Technical Efficiency is a measure of technical efficiency without scale efficiency and purely reflects the managerial performance to organize the inputs in the production process. Thus, PTE measure has been used as an index to capture improved management practices, managerial performance i.e. ability to organize the bank's inputs, production plan and industrial relationships.

Scale Efficiency provides the ability of the management to choose the optimum size of resources, i.e., to decide on the bank's size. It means to choose the scale of production that will attain the expected production level. Inappropriate size of a bank (too large or too small) may sometimes be a cause of technical inefficiency

Section IV- Findings and Conclusions

The current study uses MPI under DEA to find out the growth in productivity of eight banks in India from 2005-2010. It decomposes the efficiency into technical efficiency change, technological change, pure technical efficiency change and scale efficiency.

Productivity changes in banks can be summarized in following tables

Table 1: Bank wise changes in Productivity

Table 1	MALMQUIST INDEX SUMMARY OF FIRM MEANS				
Firm Name	EFFCH	TECHCH	PECH	SECH	TFPCH
Bank Of Baroda	1.016	0.987	1.000	1.016	1.003
Corporation Bank	1.000	0.979	1.000	1.000	0.979
Federal Bank Ltd.	1.006	1.009	1.000	1.006	1.015
HDFC Bank Ltd.	1.000	0.977	1.000	1.000	0.977
ICICI Bank Ltd.	1.000	0.979	1.000	1.000	0.979
IDBI Bank Ltd	1.000	0.934	1.000	1.000	0.934
State Bank Of India	1.005	0.985	1.000	1.005	0.990
Vijaya Bank Ltd	0.975	1.008	0.981	0.994	0.983
Mean	1.000	0.982	0.998	1.003	0.982

From table 1 it can be contended that the average total factor productivity from 2005-2010 across the eight banks has shown a declining trend. The productivity has marginally increased for Bank of Baroda (0.3%) and Federal Bank (1.5%) but it has declined for all other banks. Overall the total factor productivity has decreased by 1.8%. As this change has not been substantial, it can be said that the merger and acquisition activity has not significantly impacted the total factor productivity of banks in India. The total factor productivity values across various banks can be depicted in the following chart:

Figure 2: Total factor Productivity across various banks

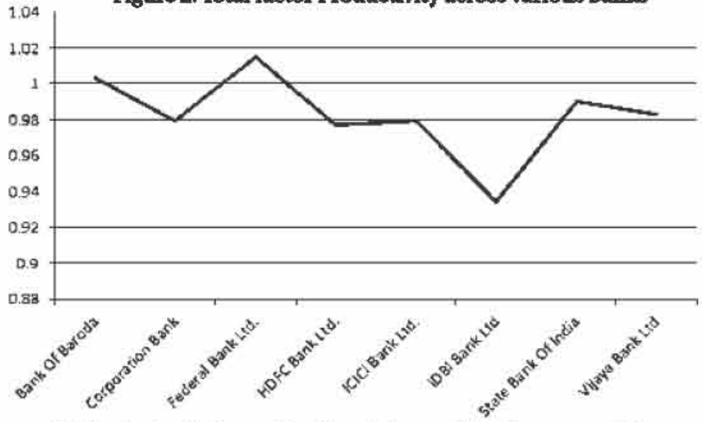

Table 2: Total Factor Productivity and its decomposition into various forms:

Year	EFFCH	TECHCH	PECH	SECH	TFPCH
2006	1.004	0.920	0.997	1.007	0.924
2007	1.017	0.975	1.003	1.014	0.992
2008	0.996	0.974	0.993	1.003	0.970
2009	0.994	0.978	0.997	0.997	0.972
2010	0.991	1.069	0.998	0.992	1.059
Mean	**1.000**	**0.982**	**0.998**	**1.003**	**0.982**

The **technical efficiency** of the bank is its ability to transform multiple resources into multiple financial services (Bhattacharyya et al., 1997). A bank is said to be technically inefficient if it operates below the frontier. The results reflected in Table 2 depict that after merger the technical efficiency has remained unchanged. This means that the banks have remained on the production frontier even after acquiring other banks. They are efficient as before but the efficiency has not increased after the merger. Although the resource utilization process in these banks is functioning well and the production process is not characterizing any waste of inputs but the merger has not been able to bring about any positive impact on the above process.

The **technological efficiency** can be attributed to technological progress and better quality of inputs. However, in the sample banks this efficiency has shown decline by 1.8%. These results indicate that although the country has witnessed a technological evolution and customers have become more IT savy to handle technological devices yet banks have not been able to provide these services effectively to the customers despite going through the merger.

The **pure technical efficiency** is an indicator of managerial effectiveness without considering the impact of scale of operations. A glance at Table 2 shows that the pure technical efficiency has declined by 0.2 percent. The main reason for this fall is the declining trend shown by Vijaya Bank (-1.9 percent). This efficiency has remained unchanged for all other banks in the sample. Hence most of the banks were able to remain at the best practices frontier. But this frontier did not move upwards after the merger.

The **scale efficiency** reflects the overall size of the bank. The change in scale efficiency has shown an increasing trend of 0.3 percent for the sample banks. It was observed that scale efficiency change was maximum for Bank of Baroda (1.6 percent) and showed a negative growth for Vijaya Bank (0.6 percent). The result also indicates that after the merger most of the banks were able to increase the efficiency of managing their scale of operations.

It has been analyzed that the decrease in total factor productivity was mainly due to decrease in technological and pure technical efficiency whereas technical efficiency remain unchanged and scale efficiency increased marginally.

ONCLUDING OBSERVATIONS

Mergers constitute an important tool of corporate strategy. Strategic management theory regards merger of banks as more value creating due to higher realization of synergies. However, the empirical analysis from the present study depicts that merger has not enhanced the total factor productivity of banks in India during 2005-2010. This is in support with the general banking literature which has shown evidence that merger and acquisition may not be able to improve the banking efficiency of the acquirer banks or target banks as expected. Although the Indian Banking industry has been able to perform the task of efficient management of resources with maturity and vitality; however global financial crisis had set in 2008 which had an impact on their operating efficiency and productivity. Moreover, Cuesta and Orea (2001) find that it takes about ten years for the banks to recover their technical efficiency level to the same as in the pre-merger and acquisition year. The synergistic effect of merger did not help the Indian banks to nullify the devastating effect of financial crisis; therefore, it will take longer than ten years for these merged banks to show an improvement in the efficiency parameters. Thus, in order to achieve better productivity Indian Banking industry needs to take suitable actions such as improve management expertise to enhance the managerial performance, restructure the policies and procedures to adapt better technology and strengthen itself significantly if it has to support the modern and vibrant economy which India aspires to be. So, it can be concluded that though mergers are desirable as internationalization of financial services is setting its pace yet these mergers have not resulted in any improvement in the total factor productivity of Indian Banks.

However, the past trend of the developing countries reflects that they have failed to respond to changing market needs which has undersized the development of their financial sector. A weak and ineffective banking structure is the main hindrance for continued growth which will harm the long-term health of their economies.

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Does Inclusion in Best/Worst Lists Drive Revenues?

Evidence from Corporate Performance and Consumer Reaction

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ABSTRACT

Annually companies are ranked on various characteristics such as innovation, greenness", admiration from trade and society at large. These lists are then published in an attempt to acknowledge the greats and inspire others to step up as well. Upon receiving such honor, companies are likely to market and promote it on product packages, website, and other media. Presumably, these recognitions are beneficial (or harmful if a "Worst Of" list) to a company's reputation and serve as an advertising platform for bragging rights. However, does recognition from these lists increase the company's bottom line? Do consumers acknowledge these lists and make decisions that drive sales and raise stock prices? How do consumers percieve these lists as they make purchase decisions? This research addresses these questions through two studies. Results indicate it would be a difficult to argue that Best/Worst lists directly influence sales, net income and stock prices. Further, the second study of consumer behavior shows that consumers are more concerned with their perceptions of companies' products and services than their accolades and list rankings.

Key Terms: Best/Worst Lists, Measures of Financial Success, Consumer Decision Making

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Each year, companies, investors, and consumers anticipate the release of Best/Worst, Top Ten/Fifty lists of ranking. These lists measure a company's growth, admiration from the public, green energy initiatives, the best of a positive attribute, and the worst of another attribute. The list makers (for instance, Fortune's Best Companies to Work For, Forbes' Most Innovative Companies) go so far as to develop some of the most complex methodologies for calculating ranks to support their conclusions. For once a company is recognized as being among the top ten), it often publishes articles about its recognition and publicizes the news on its website (unless it is a "worst of" list). Companies boast of their accomplishments, and rightfully so. One would expect then, that if a company is recognized as a "best of" it would be rewarded by its investors and customers. Sales would increase in the months and years after the acknowledgement, and stock prices would rise.

The goal of this research is to determine whether or not the publication of these lists really has intended effect, both financially to the company and perceptually to consumers. If sales, stock prices, and net income all increase in the year after publication of various lists, then list makers can feel confident knowing that their rankings make a difference in consumers' purchases and feelings about the company. Similarly, with easy access to these lists both online and in print magazines, one would think consumers are interested in the performance of their favorite brands and companies. There is a paucity of empirical studies that address this research question.

In the following sections, the lists that were analyzed will be introduced along with the research-specific financial parameters that were used to define business success. From there, in Study 1, changes in financial measures of sales, stock price, and net income will be used as metrics to assess the success and influence of publicized lists on a ranked company. The second study in this paper will assess the consumer behavior aspects of this research. Using the same lists and rankings, statistical information based on primary empirical data, we examine the relationship between the published lists and consumer behavior.

STUDY I: FINANCIAL ANALYSIS OF COMPANIES FEATURED IN THE LISTS

In order to look closer at the relationships between published lists, post-recognition financials are analyzed for companies ranked on the following lists: Fortune's Best Companies to Work For, Forbes' Most Innovative Companies, Newsweek's Greenest U.S. Companies, and Fortune's World's Most Admired Companies. These lists were chosen intentionally because each suggests and promotes a qualitative aspect of a company. Secondly, these qualitative lists serve as good measures of social citizenship and responsibility, and may have an impact on the purchasing decisions made by consumers.

Three financial parameters were analyzed: sales, net income, and stock price. These three financial performance indicators were chosen because they address the basic question of whether or not recognition on best of lists drives sales and income. Net income may very well be the most obvious financial metric, because it serves as the foundational measure of the health of a business (Marr, 2012). Net income analysis answers the question of whether or not a company can operate and perform its activities with money left over. Even if a business is able to generate and enhance worldwide sales drives sales, it does not necessarily mean that the company is not paying an arm and a leg to gain that market share. The difference in net income over the years allows to account for such costs. This is not to say that sales is a lesser financial performance indicator. In fact, one would hope that recognition on best/worst lists would impact sales, whether directly through purchases or indirectly through the advertising promoting the recognition which in turn leads to purchases. Change in sales, more importantly sales growth rate, is a factor that is assessed as a trend; companies showing consistent "top-line" growth are seen as strong companies, even if the bottom line is less impressive (think Amazon). If lists rankings lead to consistent revenue growth, a company is deemed that much more impressive to investors, as revenue is a key component to publicly traded stock price (Marr, 2012). Lastly, stock price index indicates a number of subsequent performance indicators. First, stock price helps indicate what level of trust investors have on a company; often times this is directly linked to the trust the consumers have in the company. Stock price also measures the company's ability to produce profit over the years. Although basic parameters, these three financial indicators are major components in assessing the financial success of a company.

For this research, sales and net income figures were obtained from the listed companies' annual reports while stock prices were accessed through Yahoo's Finance database. Annual reports are available for publicly held companies only, so it is possible that there is not information available for each company ranked on a list. Changes in both sales and net income were calculated using the formula $(x2-x1)/x1$, where $x2$ represents the sales or net income in the year after the list's publication and $x1$ represents the sales or net income of the year the list was published. In order to compare stock prices, the highest value of year one was compared to the highest value of the same quarter in year two. For example, if a company's stock price was $18 in the third quarter of year one, in order to properly compare the years, the company's highest price of the third quarter of year two would be recorded, regardless of whether this was the highest stock price over the entire year in question. Changes in stock prices were calculated as the difference between the two values, in dollars. The lists and companies were also assessed on a non-financial measure: their future rank on the same list. Using this metric, it is interesting to see if a company improved, went down a few ranks, and remained at the same ranking.

In order to allow for proper analysis of trends and growths, the analyzed lists are all from either 2009 or 2010. In the case where a 2009 list was not available, 2010 was used. Then, the financial figures were recorded and assessed during the year the list was released and the year directly after. Rankings were recorded up to 2012, if the list still existed.

FORTUNE MAGAZINE: BEST COMPANIES TO WORKFOR

It is often claimed that employee satisfaction plays an integral role in successful business. Companies often spark productive and satisfied employees through their implementation of employee benefits. There are benefits that may be considered the bare minimum of extras, such as paid vacation, health and/or life insurance, stock options, or flexible spending accounts. The companies to note as being exemplary in employee satisfaction and that are listed in "Best Companies to Work For" go above and beyond these "givens." Companies nowadays are realizing the importance of a happy employee. Employers are adding monetary benefits such as paid sabbaticals, job sharing, and even 100% coverage of healthcare costs. Companies are going farther still to incorporate qualitative measures to go alongside the financial. These benefits include on-site fitness centers to promote healthy living, on-site child care, budgets allocated specifically for company outings and team building, compressed workweeks, and small layoff percentages. It is obvious that these bonuses increase employee morale, but how does this transfer to the company's external success - its sales, stock price, and net income?

MEASUREMENT METHODOLOGY:

To qualify for Fortune's list, companies must (1) be at least seven years old and (2) employee more than 1,000 U.S citizens. "The Best Companies to Work For" list is based on an extensive employee survey distributed to companies in corporate America. Partnering with the Great Place to Work Institute, the 2010 list was derived from over three hundred applicants (Levering 2010). According to Fortune, the scores are comprised of two unequally weighted parts: a Trust Index survey and a Culture Audit, both conducted through the Great Place to Work Institute. The Trust Index survey, which accounts for two thirds of a company's score, is distributed to a random sample of employees from each company and asks questions pertaining to attitudes about "management's credibility, job satisfaction, and camaraderie" (Levering 2010). The other portion of the score, based off of a Culture Audit, asks employees about benefits and salaries as well as open-ended questions about communication, hiring, and diversity within the workplace (Refer to Exhibit 1 for details).

Of the ten companies listed, half are privately held and do not make financial information available to the public (indicated in chart with "N/A" for financial data), and half are publicly held with published data. Analyzing the public companies first: Google, DreamWorks Animations, NetApp, Qualcomm, and Camden Property Trust each company saw an increase in sales from 2010 to 2011. Qualcomm, a wireless technology company, saw sales grow by more than 35 percent. Changes in the other parameters, net income and stock price, showed a split; four companies saw increases in net income and only three saw increases in stock price.

Fortune's 2010 list of Best Companies to Work For:	
1. SAS	2. Edward Jones
3. Wegmans	4. Google
5. Nugget Market	6. DreamWorks Animation
7. NetApp	8. Boston Consulting Group
9. Qualcomm	10. Camden Property Trust

The publicly held companies showed inconclusive results when comparing the data provided to their ranking on the same list in 2013. While two of the companies climbed the list (Google and NetApps), two slid down (DreamWorks and Qualcomm) and one stayed put at #10 (Camden Property Trust). Of the two that soared higher, Google saw increases on all three platforms from 2010 to 2011 and saw itself at the top of 2012 and 2013's lists. In 2011, NetApp reached its peak at #5. The following year the company fell down to #6 where it stayed for 2013's rankings. Although among the top five in 2011's Best Places to Work, NetApp saw decreasing stock prices despite its increases in net income and sales. Qualcomm, which had the highest growth in sales amongst these five companies saw a significant drop in rankings in 2011, falling from #9 to #33 and then rising to #23 in 2012. Fortunately for this tech company, it has risen the charts in 2013 and comes in at #11.

As for the privately held companies (SAS, Edward Jones, Wegmans, Nugget Market, Boston Consulting Group), all but one of the companies fell down a few spots. Boston Consulting Group (BCG) was the only private company on the 2010 list that was bumped up in 2013. In 2011, BCG made it all the way to the #2 Best Company to Work for, after including added employee benefits that it did not offer in 2010. SAS, a software company, alternated between the top three spots for all four years. Unfortunately financial data is unavailable to analyze if there is any direct correlation. Other private companies worth noting include Edward Jones, which fell to #8 in 2013 after being at #5 the previous year and #11 in 2011, and Nugget Market, which plummeted to #37 in 2013.

Of all ten companies listed, three are worth taking a closer look at in terms of current employees and offered benefits. Google is the reigning #1 and employs over 34,000 seemingly happy employees who enjoy 401k and stock options, as well as playing ping pong and bowling on the company's turf. Google continues to add not only recreational activities to its campus, but also increase its employee base adding hundreds or thousands jobs every year. Boston Consulting Group is the Most Improved candidate on this list – rising from #8 in 2010 to #4 in 2013. It is reported that the 2,300 current employees of BCG are offered unique benefits, including a "red zone report" to flag those workers who are putting in too many long hours, a $10,000 stipend to offer volunteer services to a nonprofit, and the opportunity for new consultants to earn a salary of up to $184,000. Perhaps a less desired acknowledgement than the other two, the Biggest Flop in the list of the Best Companies to Work for is Nugget Market, which came in at #5 in 2010 and was unseen on the top thirty in 2013. Nugget Market, Inc. employs just over 1,100 employees – just barely making the cut for Fortune's requirements. In 2010, the company employed two hundred more than it currently does, laying off 17% of employees over the years. Of the benefits offered by most other companies, Nugget Market only grants one – 100% health care coverage. Since 2010, Nugget Market saw a significant drop in its female employed population. Whereas 45% of employees were women in 2010, women only make up 4% of the Nugget Market workforce in 2013.

Results of the 2010 Fortune Best Companies List are varied across the parameters of net income, stock price, annual revenue, and future list ranking. It seems as though commonly known companies, such as Google, Wegmans, and Boston

Consulting Group have capitalized on their positive publicity andcontinue to prosper both financially and in terms of employee satisfaction. Other companies have shown inconclusive results, suggesting that annual lists only have a strong influence if companies are willing to spend considerable capital to ensure employees have recreational activities, opportunity for advancement, and covered health care.

Overall, it is difficult to determine whether or not the publicity of Fortune's Best Companies to Work For had a significant effect on acknowledged companies because only half of the top ten disclose financial information publicly. However, it can be argued that employee satisfaction in the workplace is being recognized, and companies feel an urgency to maintain a spot on this list in an attempt to encourage and excite employees and increase productivity in the workplace.

BUSINESSWEEK: THE WORLD'S MOST INNOVATIVE COMPANIES

Merriam-Webster defines innovation as the "introduction of something new" or "a new idea, method, or device" (Merriam-Webster, 2012). In a world where modern technology isn't modern enough and scientific advancements aren't advanced enough, innovation is a paramount element to a successful business. Innovation requires a look into the future - and for that reason is a difficult attribute to measure. When Business week set out to develop its list of the most innovative companies, it took the futuristic factor into major consideration. Surveyors and list-makers also used financial data to back up their rankings. Predictably, the top-ranking companies in terms of innovation represent industries such as software, internet-related business, medical technology, and computer services and hardware. However, there are some listed companies that are more surprising than predictable – including a cosmetics company, coffee shop chain, and a wine and spirits producer and distributor.

MEASUREMENT METHODOLOGY:

To develop its list, Businessweek turned to a survey conducted by Boston Consulting Group. A twenty question poll was sent to senior executives of global companies in December of 2008. From there, BCG assessed the 2,700 anonymous responses. The questions must have been answered about another company; any company that voted for its own organization or employers was disqualified. The final rankings were based on the following: 80% of the total score was based on the survey, 10% on stock returns, and a total of 10% for three-year revenue and marginalgrowth. (Refer to Exhibit 2 for detailed figures).

Of Businessweek's Most Innovative Companies of 2012, the top 10 are listed below. What may come as a surprise is that since its 2011 rank, Google has moved down the list 14 spots. However, more surprising is that Apple does not show up on the list until number 26, whereas in 2011 the computer experts were strongly held at number five. Have the leaders of tomorrow been successful in increasing sales and improving their numbers on the stock market?

In 2009 and 2010, innovation could not be mentioned without Apple or Google following closely after. Some would argue that this still holds true today. In fact, these two innovators maintained their ranks at #1 and #2, respectively, for Businessweek's 2010 ranks. Both tech companies saw increases in stock price and net income, while only Google saw its sales increase from 2009 to 2010. Google's highest stock price in 2009 came in at $622.87 just as the year was coming to an end while January 4held the highest price of 2010 at $626.75 (Yahoo Finance). Throughout the year, stock prices rose and fell for the Internet search guru and hit a 2010 fourth quarter peak of $625.08, remaining nearly equal to the previous year's fourth quarter peak. Apple, on the other hand, had a much less modest increase in stock price from its 2009 fourth quarter peak to its comparable 2010 price. On December 28, 2009, Apple hit its crowning stock price of $211.61 per share. On this exact day one year later, the computer engineer raked in $325.29 per share, a 54% increase in just one year.

Businessweek's 2009 Most Innovative Companies:	
1. Apple	2. Google
3. Toyota	4. Microsoft
5. Nintendo	6. IBM
7. Hewlett-Packard	8. Research In Motion
9. Nokia	10. Wal-Mart

Net income also increased for both contenders - Apple by 31% and Google by 70%. Surprisingly, even with a drastic increase in net income, Apple's sales fell in 2010 compared to that of the previous year. The eight percent drop in sales is difficult to explain, as new versions of the iPhone were released in both 2009 and 2010 and the all new iPad selling more than 300,000 units after its first day on the shelves in April of 2010 (Harrison, 2010).

Of the 2009 Top Ten Innovative Companies, only one rose in stock price, sales, net income, and 2010 Innovative rank: IBM. IBM, an IT product and services company, has been credited for its technological advances in the computer hardware, software and even consulting services. Its innovation in software and technology has led the company to become a household name; although perhaps not as popular as Apple or Google, IBM has climbed rank on a number of different lists, including Newsweek's Greenest Companies and Fortune's Most Admired Companies. Stock prices for IBM during the second half of 2009 were in the $110-$120 range; a steady increase from its $80 price per share low in January of that year. Prices continued to generally rise throughout 2010, with a fourteen dollar increase from 2009's fourth quarter high to 2010's (Yahoo Finance). Net income for the IT company increase almost 10.5 percent, with sales increasing half that. Notably, IBM was one of only two companies on the Top Ten list to rise in rankings, climbing two spots to #4 in Business week's 2010 rankings.

As for the other companies on the list, 70 percent (including Apple, Google, and IBM) witnessed increased sales from 2009 to 2010, and 80 percent (including Apple, Google, and IBM) were able to raise overall net income. Surprisingly enough, the only companies with higher 2010 stock prices were the afore mentioned tech gurus. Each of the other companies, including Toyota, Microsoft, Nintendo, Hewlett-Packard, Research in Motion, Nokia, and Walmart, had more successful highs in 2009 than 2010 (for the same quarter). While some stocks fell by only sixty-six cents (Nokia), others fell by over twenty dollars per share (Toyota). Microsoft, although dipping in stock prices from about $31 per share in the fourth quarter of 2009 to $28 in 2010 (Yahoo Finance), was able to extract growth in all other financial metrics, and even rise the ranks of the 2010 Business week Innovative list. Unfortunately for Toyota, drops came in across the board. Dropping two spots on the 2010 Innovative list to #5, the Japanese car maker also lost 7.7% of sales and over 13% of net income from 2009 to 2010.

It would be difficult to argue for the strength and significance the Business week 2009 Most Innovative Companies List has on acknowledged organizations knowing that the top contender for two consecutive years experienced a drop in sales. Perhaps this suggests that Apple's success in the stock market and on the shelves is more directly influenced by customers' and investors' intuitive recognition of the company's innovation, rather than a yearly list whose rankings, qualifications, and measures may fluctuate year after year.

Newsweek: The US's Greenest Companies

Although the Green Movement has been around globally since transcendentalism and the 1800s and certainly before Newsweek started ranking companies, today's environmental movement is contributed greatly to Al Gore and his Inconvenient Truth (WebEcoist, 2008).This documentary drew attention to issues such as global warming, atmosphere depletion, and chemically-treated food. In hopes of lessening fears and leaving a smaller carbon footprint, these are the issues that inspired companies to campaign a greener strategy. Even 6-7 years after the blockbuster reached its peak in popularity, US companies are maintaining efforts to be considered green. (Refer to Exhibit 3 for detailed figures)

The US is not among the global leaders in the green movement. European powers such as Germany and France have proven to leave a smaller footprint on the Earth's surface in terms of environmental depletion. Nonetheless, there are domestic companies still striving to implement environmental-friendly practices in daily business. Among the leaders in the United States include IBM and CA Technologies representing the IT and Services industry; Intel, HP, and many others as Technology Equipment manufacturers; and retailers like Staples and Office Depot.

For this particular list, it was important to look at the bottom ten companies as well; the least green among large companies in a sense. Many of the bottom Top 500 companies are also listed on Newsweek's Least Green list; an indication that being amongst the top 500 is not necessarily a positive acknowledgement. Predictably, the bottom ten of the list are comprised of companies representing the utility sector, food and beverage, and materials. Separate analyses were done for each portion of the list, but the qualifiers remained the same: stock price, sales, net income, and a test of whether or not the company rose higher on future lists.

MEASUREMENT METHODOLOGY:

To begin their search and rankings, Newsweek and environmental research providers partnered to assess the largest publicly traded companies of the country. This list, developed by a panel of advisory experts, takes factors such as revenue, market capitalization, and number of employees into consideration. Together with Trucost and Sustainalytics, companies were ranked based on their "green score," which is comprised of three parameters: an environmental impact score, environmental management score, and an environment disclosure score. The environmental impact score is a "...comprehensive, quantitative, and standardized measurement of the overall environmental impact of a company's operations" (Newsweek, 2012). Although comprised of over 700 metrics, the impact score focuses on issues such as greenhouse gas emissions, water use, and disposal of solid-waste. After quantifying all measures of impact, Trucost assesses a dollar value to represent an environmental damage cost for each company. These two factors are combined to form the environmental impact component of a company's overall green score. The environmental management score reflects a company's internal efforts to minimize controllable environmental factors. Sustainalytics focused on three dimensions to develop this component – company operations, contractors and suppliers, and products and services. The last component of the overall green score, an environmental disclosure score, is derived from a collaborative score determined by both Trucost and Sustainalytics. Half of this score is determinant on the proportion of company disclosed information relative to its business operations. The other half is determined by the quality of reporting and disclosing said information.

After all three scores were summed, Newsweek, Trucost, and Sustainalytics developed the following list – which displays 25 of the 500 ranked companies. Because the list ranks the largest companies in terms of green movement success, it also suggests that companies at the bottom end of the list are doing considerably worse than their fellow large-revenue producing competitors. Unfortunately for CONSOL Energy, Peabody Energy, Allegheny Technologies, and Bunge Foods this was the case in the 2009 rankings.

Newsweek's Greenest Companies 2009 Rankings:

1. HP	6. State Street	490. Duke Energy	496. CONSOL Energy
2. Dell	7. Nike	491. FirstEnergy	497. NA
3. Johnson & Johnson	8. Bristol-Myers Squibb	493. Bunge	498. Allegheny Technologies
4. Intel	9. Applied Material	494. American Electric Power	499. NRG Energy
5. IBM	10. Starbucks	495. Ameren	500. Peabody Energy

Of the United States' Top Ten Green companies of 2009, the majority saw increases in stock prices (when compared to the same quarter of the year the list was released), sales, and net income. Stock prices rose for six of these companies, five of which saw increases across the board in terms of financial benchmarks. In comparing stock prices, IBM trumped its competition in this field with an increase of $14.22 from the previous year (Yahoo Finance). Interestingly enough, IBM rose from #5 on the Green list in 2009 to #1 in 2011 and 2012, making it the only company to maintain top honors for two consecutive years throughout the four list releases. Starbucks also watched stock prices rise more than nine dollars after its Green acknowledgement, but the success on Newsweek's list was short-lived. For the following Greenest list, Starbucks fell to #33 on the rankings, and to an ultimate low of #90 in 2012. Although there may exist a correlation between the list's publicity and a company's increased stock prices, sales numbers, and net income, the increases in financial status do not necessarily increase a company's ranking on future Green lists. In fact, only three of the ten companies climbed the Green ranks from 2009 to 2010; this may suggest a decrease in the popularity and urgency in the Green Movement all together. In other words, although companies are increasing sales and raising net income, they are not putting forth more effort to becoming greener.

It is often said that bad publicity is still publicity and further increases an entity's public awareness. This must have been the case for the bottom ten companies of the 2009 Green list. Although only four companies saw stock prices rise from 2009 to 2010, an extraordinary nine out of ten saw sales rise the year after the list was published. However even with increased sales, only half of the bottom ten raised their net income, suggesting that expenses and cost of goods sold grew in 2010. The only company that did not increase sales, NRG Energy, also fell in stock price and net income, but was one of only two bottom tier companies to climb the ranks of the Green list.

Overall, being recognized as one of America's Greenest companies in 2009 seemed to be a boost for sales, regardless of being acknowledged as largely eco-friendly or slightly harmful to the environment. However, it also appears that with each coming year less emphasis is given on the Green Movement and companies are more likely to keep current environmental practices rather than invent new methods to climb the Green rankings.

FORTUNE MAGAZINE: THE WORLD'S MOST ADMIRED COMPANIES

To be admired is one of the highest compliments and achievements one may reach. To be among the world's most admired companies surely must be the greatest accomplishment for executives and CEOs. Although the survey for the rankings is completed by these higher-ups, one would assume that if a company is named as one of thousands as the most revered, customers must be fleeting to these companies – driving sales, stock prices, and net income to reach remarkable highs.

In terms of industries on the list, the majority have a strong presence in the retail business. When first looking at the list, one may be struck by two things: (1) these are all companies that even people living under a rock have heard of, and (2) the companies rounding out the top ten are all US-based companies. To address the first point, could there be a direct correlation between marketing efforts and customer admiration? Companies at the top of the list spent a substantial amount of money on advertising, but surprisingly, this only represented a small percentage of their overall sales. Secondly, the vast amount of American companies on an American company's list may lead to some skepticism, and rightfully so. With such predominate presence in the surveying stage, it is no wonder that the top thirteen companies are American.

MEASUREMENT METHODOLOGY:

In order to rank companies' admirability, Fortune first takes companies from the Fortune 1000 and Fortune 500 to make one list comprised of about 1,400 U.S. and non U.S. organizations. These rankings are based on revenue alone. From there, Fortune took almost 700 companies from 30 countries worldwide to develop a list of 57 industries. From here on out, Fortune worked with the Hay Group to distribute a survey asking top level management to rate other companies (in the same industry) on criteria varying from investment value to social responsibility. To arrive at the Top 50 Most Admired Companies, a compilation was made of companies ranked in the top 25% in 2008's survey plus the companies that finished in the top 20% of their industry. From this compilation, the respondents were asked to select the ten companies they admired most, in any industry. The final list was based on an overall score of how frequently companies were chosen as most admirable. (Refer to Exhibit 4 for detailed figures)

Fortune's 2009 Most Admired Companies:	
1. Apple	6. Procter & Gamble
2. Berkshire Hathaway	7. Southwest Airlines
3. Toyota Motor	8. FedEx
4. Google	9. General Electric
5. Johnson & Johnson	10. Microsoft

Apple, the top-ranked in terms of admiration is considered to be in the Computers industry, while Google and Amazon are specifically "Internet Services and Retailing". Other top scorers represented Beverages, Food Services, Information Technology, Insurance, Apparel, Wholesale, Telecommunications, Pharmaceuticals, and approximately 45 other categories. In an analysis of Fortune's list, it would be difficult to attribute one single industry with the most success, considering that the top ten alone consist of nine different industries.

As mentioned earlier, it is no surprise that the top companies have positioned themselves as household names. Rounding off the top of the list is Apple, the head honcho of electronic equipment of the early 2000s. In 2009, Apple started its second year at number one on Fortune's list of Most Admired Companies, a title it still holds today (Fortune, 2013). Although rankings remained constant and showed continuous admiration among customers, Apple's sales were not held to the same esteem. In 2009, Apple's sales were around $49.2 Billion. In 2010, the year after the company was recognized as most admired for the second consecutive year, sales dropped to $38.5 Billion, a drop of almost eight percent. Interestingly enough, stock prices soared from 2009 to 2010 as well as a seventy percent increase in net income. Other companies held at high regard in terms of admiration include Berkshire Hathaway, Google, Johnson & Johnson, General Electric, and Procter & Gamble. Of all ten most admired companies, eight saw increases in stock price from 2009 to the following year. Comparatively, eight companies (not necessarily the same eight) increased their bottom line during this time period. Only five companies, however, experienced sales growth since the 2009 list publication, four of which also increased net income. Perhaps most interestingly, only three of these Most Admired Companies were able to see growth in all three financial parameters: Berkshire Hathaway, Google, and FedEx. Furthermore, Google is the only one of these companies that not only improved in financial analysis, but also saw an increase in rank on the 2010 list. Taking a closer look at this top performer, Google was ranked #4 on 2009's list. Each year after that, however, Google remained steady at #2 on the list. Google also held (and still holds) the highest price per share in the stock market among the listed companies. At the time of the 2009 list publication, Google's highest price per share was $623 in its fourth quarter. In the same quarter of the following year, Google stocks peaked at $627 after a steady decrease from January to September (Yahoo Finance). As mentioned earlier, Google was one of only five of the top ten companies to increase its sales after Fortune created its list. Overall, Google's sales increased twenty four percent, the highest increase among any of the top ten. Both Google and Apple are also ranked on Business week's Most Innovative companies; Google is also amongst the Best Companies to Work For.

Unfortunately, not all of the companies were as successful as Google and Apple in terms of financial growth and improved rankings. Among these was Toyota, who saw drops across the board. Stocks fell thirteen dollars from 2009 to 2010 (Yahoo Finance), while sales fell 7.7% and net income dropped 13.7%. In the year after its #3 rank, Toyota fell to #7 the following year and then plummeted to #33 for the following two years. These declines are indefinitely contributed to a number of factors. However, if a company is listed as one of the nation's most admired in one year, why would that not drive customers to drive sales the following year?

STUDY I: FINANCIAL ANALYSIS CONCLUSIONS

These lists display a complex assortment of success stories and unfortunate business failures (Exhibit 5 provides a concise graphic summary). Success stories, without further analysis may suggest that acknowledgement on these lists does in fact have a strong impact on a company's sales, income, and stock price. On the other hand, business failures and declines among all three categories may suggest two possibilities: (1) something seriously went wrong in the company the year after it was acknowledged and/or (2) these lists have little impact on the company's future financials. With these two possible factors it blurs the lines between "Yes – the lists have a direct effect on a company's financial success" and "No – these lists have no effect on a company's financial success." On one hand, some companies were able to experience growth among all three financial areas, yet still fall in next year's ranks. On the other hand, companies may only see growth in one element of analysis. It is for this reason, this gray shaded area between a definite relationship and no relationship, that it can be argued that yearly lists do little to foster further financial growth. Obviously, other factors come into play that effect a business's success; factors that are completely separate from these marketing efforts. At minimum, it can be stated that there is not a direct correlation between acknowledgement on these lists and future financial success. Consumers may perhaps be aware of these lists and various rankings, but does that lead directly to a purchase? If so, each company that was listed among the top ten, or even at the top, would experience an increase in sales. As seen from the analyses, this was not the case.

In parallel, intuition suggests that investors would realize the acknowledgement of these companies as among the best, and thus purchase stock. The data suggests that this too, was not the case and many companies even saw stock prices fall shortly after receiving recognition. Perhaps in order to arrive at a definitive and concrete answer to the question, further financial analysis must be provided and other elements assessed. However, on the surface, it seems as though the yearly lists published by Fortune, Forbes, Newsweek, and other sources provide little insight into the future of a company's success. Using that logic, these lists only provide information for the present market and thus provide investors and consumers little benefit than additional light reading.

STUDY II: CONSUMER ATTITUDES AND BEHAVIOR

Staying consistent with the financial analysis, the same qualitative lists (and the corresponding methodologies) were used for the consumer behavior analysis. However, this analysis focused on three lists in particular: Forbes' Most Innovative Companies, Newsweek's Greenest Companies, and Fortune's Most Admired Companies. These lists served as the basis for a self-administered online survey based on two scales that were slightly modified for the purpose of this research: "Brand Awareness, Attitudes, Interest, and Likelihood of Purchase" (Qualtrics, 2013) and "Five-Item Personality Inventories" (Gosling 2003). Using a link provided by data collection software, convenience based random sample was generated. The first part of the survey is broken up into three unique sections in order to question respondents on the innovation, greenness, and admirability of seven companies. Three or four of these companies were listed at the top of the associated list, while the remainder were found somewhere in the middle or end of the published list's rankings. The next section of the survey questions participants on the likelihood of purchasing a product or service from those same seven companies. The purpose of these questions was to gauge the connection between consumers' buying habits and their opinions of the companies. This section also included questions regarding consumers' reactions to packages endorsing a company's recognition as a top company on any list. The final section of questions dealt with psychographic and demographic measures. Using these two measures, connections were analyzed between personality, lifestyle, and opinions on company greenness, innovation and admirability.

Sample Profile: After collecting 273 diverse responses, the following demographics were noted: 43.25% of respondents were male and 56.75% were female. Of the sample, 50.40% were students, 42.06% were full time workers, with the remainder being unemployed or a part-time worker. More than half of the sample, 58%, was between the ages of 18-24 years old. The second largest age group was 45-54 years old, accounting for 13% of the sample size.

STUDY II: DATA ANALYSIS AND FINDINGS

H1: Consumers' personal rankings of companies (innovation, greenness, admirability) match published lists' rankings.

For this hypothesis, descriptive statistics were used to determine the average score given to each company given on the survey. Values are based on the scale which ranked 1 as "Not Innovative/Green/Admirable at All" and 7 as "Very Innovative/Green/Admirable". Innovation: Of the seven companies listed, Apple was ranked as the most innovative, with a mean score of 6.32. Following were Google and Microsoft with mean scores of 6.28 and 5.57, respectively. The bottom three companies were Adobe, Pepsi, and Toshiba, scoring means of 4.52, 4.32, and 4.19, respectively. When this is compared to Forbes' 2013 Most Innovative List, consumers' perceptions of innovation did not match those of the list maker. Of the companies offered in the survey, Amazon.com was the highest ranking company on the Forbes list (No. 7). Google was ranked 47th on the list, while Apple did not make an appearance until No. 79. Microsoft wasn't even included on the 2013 list. As far as the companies that respondents ranked last in terms of innovation, Pepsi was ranked 58th; nor Toshiba nor Adobe made it on the Top 100 of the 2013 list.

Green: The survey asked respondents to rank seven companies in terms of their greenness. The top ranking companies were Johnson & Johnson, Hershey, and Hewlett-Packard. On a scale of 1-7, where 1 represents "Not Green at All" and 7 represents "Very Green", these three companies scored 4.39, 3.85, and 3.81, respectively. Newsweek's rankings were topped off by Hewlett-Packard, Dell, and Johnson & Johnson. Respondents placed Tyson Foods, and Direct TV at the bottom of their rankings, matching the rankings of Newsweek's list; Newsweek ranked DirecTV 469th on the list of 500 companies and Tyson Foods as 479th. However, whereas respondents found Nike to be closer towards the "Not Green" side of the spectrum, Newsweek ranked the company as 7th on its list.

Admirable: When asked to rank how admirable respondents found the seven companies to be, the results showed that Google, Apple, and Netflix were the Most Admirable, scoring 5.66, 5.56, and 5.11 on the scale respectively. Fortune Magazine's 2010 rankings of the World's Most Admired Companies were led by Apple, Google, and Berkshire Hathaway. Companies that respondents gave the lowest admiration score to included Sony, Lowe's, and Southwest. On its list, Fortune ranked Sony as 38th and Lowe's as 46th. Southwest, which scored the lowest on respondents' rankings, was 11th on Fortune's list.

In sum, findings indicate that respondents' rankings of companies are, for the most part, similar to those of the published lists.

H2: Packages endorsing a company's innovation, greenness, or admirability ranking increase consumer purchase intent.

To determine whether or not package endorsements had an effect on consumers' intent to purchase a product, the survey asked respondents to agree or disagree with the following statement: "When a product has been endorsed as most innovative, green, or admirable, it increases my likelihood of buying". It was found that the average score for this construct was 4.62 out of 7, meaning that consumers on average, are more likely than not influenced to purchase based on such an endorsement. Further, ANOVA was run to find any correlations between this construct and each of the demographic questions. No statistically significant relationship emerged between demographics and the likelihood of purchasing an endorsed product.

H3: Psychographics have an impact on how people perceive a company to be innovative, green, or admirable.

To test this hypothesis, a Psychographics Composite variable was developed to test against the composite variable of how innovative/green/admirable a respondent ranked the given companies.

Innovative: There is a relationship between psychographics and how consumers perceive and rank companies' innovation ($p=0.001$; r-squared value is 0.127). Similarly, there is a relationship between psychographics and how consumers perceive and rank companies' greenness ($p=0.001$; r-squared value is 0.053). Although statistically significant positive relationship; the relationship is a weak one. There is a relationship between psychographics and how consumers perceive and rank companies' admirability ($p=0.001$; r-squared value is 0.161). In summary, there is a statistically significant relationship between psychographics and how innovative/green/admirable consumers perceive a company to be.

H4: Consumers are more likely to purchase/use a product if they think it is more innovative/green/admirable.

To determine if there is a significant relationship between consumers' ranks and their likelihood to purchase/use, a composite variable for each of the three list attributes was computed, as well as a matching composite variable for the likelihood to purchase/use the company's product. The independent variable is the composite of the scores respondents gave to the question asking how innovative/green/admirable they thought the company was. The likelihood of purchasing those companies' products or services was used as a dependent variable.

Linear regression analyses shows a significant relationship between the innovation score respondents gave companies and their likelihood to purchase/use the company's product (p= 0.001; r-squared value is 0.396). Green: After running a linear regression, there is a significant relationship between the green score respondents give companies and their likelihood to purchase/use the company's product (p=0.001; r-squared value is 0.225). Admirable: After running the linear regression against the admirability composite variables, there is a significant relationship between the admirable score respondents gave companies and their likelihood to purchase/use the company's product (p= 0.001; r-squared value is 0.420). In summary, there is a statistically significant strong relationship between consumers' perceptions of companies' innovation/greenness/admirability and their likelihood to use/purchase the company's products.

H5: Demographics have an impact on the awareness of published lists.

To determine whether or not demographics have an impact on respondents' awareness of the lists, results indicate that there is no a significant relationship between demographics and respondents' awareness of the Most Innovative Companies list, and awareness of the greenest companies' list.

However there is a significant relationship between demographics and respondents' awareness of the Most Admirable Companies list at the 0.10 level of significance. In summary, two of the three list showed a non-significant level of correspondence between demographics and the awareness of the list.

STUDY II CONCLUSIONS

After looking at various results of demographics, psychographics, consumer rankings, and relationships among rankings and likelihood to use or purchase products from these companies, the research posits a better understanding of how best/worst lists affect consumer behavior. This study finds that consumers are directly influenced to purchase products based on their own perceptions of a company's innovation, greenness, and admirability, rather than a list's rankings of these attributes. In short, one could conclude that published lists have no direct empirically measurable impact on the likelihood to purchase or use a company's products. This would lead to the strategic recommendation that companies do not need to put forth much effort or resources into getting ranked on these lists, especially during austere times where resources could be used for alternative initiatives. One could argue for investments in marketing strategies that focus on product positioning and perceptions that strengthen consumer opinions of the company's innovation, greenness, admirability, and other such positive attributes.

APPENDIX

Exhibit 1: Fortune Magazine: Best Companies to Work For

2010	COMPANY	2010	2011	CHANGE	2011	2012	2013
#1	SAS	Stock Price: N/A Net Income: N/A Sales: N/A	Stock Price: N/A Net Income: N/A Sales: N/A	Stock Price: N/A Net Income: N/A Sales: N/A	#1	#3	#2
#2	Edward Jones	Stock Price: N/A Net Income: 2010 Not Avail. Sales: 2010 Not Avail.	Stock Price: N/A Net Income: 2011 Not Avail. Sales: 2011 Not Avail.	Stock Price: N/A Net Income: Sales:	#11	#5	#8
#3	Wegmans	Stock Price: N/A Net Income: Sales:	Stock Price: N/A Net Income: Sales:	Stock Price: N/A Net Income: Sales:	#3	#4	#5
#4	Google	Stock Price: 630.85 (Q4) Net Income: 8.51B Sales: 29.32B	Stock Price: 646.85 (Q4) Net Income: 9.74B Sales: 37.91B	Stock Price: +16.00 Net Income: +14.49% Sales: +29.28%	#4	#1	#1
#5	Nugget Market	Stock Price: N/A Net Income: Sales:	Stock Price: N/A Net Income: Sales:	Stock Price: N/A Net Income: Sales:	#8	#34	#37
#6	Dream Works	Stock Price: $43.46 (Q1) Net Income:$170.37M Sales:$ 706.02M	Stock Price: $29.75 (Q1) Net Income: $86.80M Sales:$ 784.79M	Stock Price: –13.71 Net Income: –50.81% Sales: +11.16%	#10	#14	#12
#7	NetApp	Stock Price: 55.76 (Q4) Net Income: 400.4M Sales: 3.93B	Stock Price: 42.86 (Q4) Net Income: 673.1M Sales: 5.122B	Stock Price: –12.9 Net Income: +68.11% Sales: +30.30%	#5	#6	#6
#8	Boston Consulting Group	Stock Price: N/A Net Income: Not Avail. Sales: Not Avail.	Stock Price: N/A Net Income: Not Avail. Sales: Not Avail.	Stock Price: N/A Net Income: Not Avail Sales: Not Avail.	#2	#2	#4
#9	Qualcomm	Stock Price: 50.31 (Q4) Net Income: 1.96M Sales:$10.98B	Stock Price: 57.29 (Q4) net Income: 2.52M Sales: $14,957,000,000	Stock Price: +6.98 Net Income: +28.57% Sales: +36.20%	#33	#23	#11
#10	Camden Property Trust	Stock Price: 54.38 (Q4) Net Income: 30.2M Sales: 488.4M	Stock Price: 68.37 (Q4) Net Income: 56.4M Sales: 541.6M	Stock Price: +13.99 Net Income: +86.75% Sales: +10.89%	#7	#7	#10

Exhibit 2: Forbes' Most Innovative Companies

2009	COMPANY	2010	2009	CHANGE	2010 RANK
1	Apple	Stock Price: $325.29 (Q4) Net Income: $39.54B Sales: $14.01B	Stock Price: $211.64 (Q4) Net Income: $42.91B Sales: $8.24B	Stock Price: +$113.65 Sales: –7.85% Net Income: +70.02%	#1
2	Google	Stock Price: $625.08 (Q4) Sales: $29.32B Net Income: $8.51B	Stock Price: $622.87 (Q4) Sales: $23.65B Net Income: $6.52B	Stock Price: +$2.21 Sales: +23.97% Net Income: +30.52%	#2
3	Toyota *Amounts in Yen, converted to 2013 USD at XE.com	Stock Price: $74.25 (Q3) Sales: $193.05B Net Income: $682,444	Stock Price: $87.19 (Q3) Sales: $209.14B Net Income: $ (1.42M)	Stock Price: –$12.94 Sales: –7.69% Net Income: 13.68%	#5
4	Microsoft	Stock Price: $28.30 (Q4) Sales: $62.49B Net Income: $18.76B	Stock Price: $31.17 (Q4) Sales: $58.44B Net Income: $14.57B	Stock Price: –$2.87 Sales: +6.93% Net Income: +28.76%	#3
5	Nintendo	Stock Price: $43.12 (Q1) Sales: $15.42B Net Income: $2.46B	Stock Price: $49.46 (Q1) Sales: $18.76B Net Income: $2.85B	Stock Price: –$6.34 Sales: –17.80% Net Income: +148.01%	#20
6	IBM	Stock Price: $146.79 (Q4) Sales: $99.87B Net Income: $14.83B	Stock Price: $132.31 (Q4) Sales: $95.76B Net Income: $13.43B	Stock Price: +$14.48 Sales: +4.29% Net Income: +10.42%	#4
7	Hewlett-Packard	Stock Price: $44.16 (Q4) Sales: $8.76M Net Income: $126.033B	Stock Price: $52.93 (Q4) Sales: $7.66M Net Income: $114.552B	Stock Price: –$8.77 Sales: +14.36% Net Income: +10.02%	#16
8	Research In Motion *Blackberry	Stock Price: $73.80 (Q2) Sales: $14.95B Net Income: $2.46B	Stock Price: $94.36 (Q2) Sales: $11.07B Net Income: $1.89B	Stock Price: –$20.56 Sales: +35.05% Net Income: +30.16%	#14
9	Nokia	Stock Price: $15.49 (Q2) Sales: $56.12B Net Income: $1.78B	Stock Price: $16.15 (Q2) Sales: $54.19B Net Income: $343.77M	Stock Price: –$0.66 Sales: +3.56% Net Income: +417.79%	#23
10	Walmart	Stock Price: $55.92 (Q1) Sales: $405.05B Net Income: $14.34B	Stock Price: $57.18 (Q1) Sales: $401.09B Net Income: $13.40B	Stock Price: –$1.26 Sales: +0.99% Net Income: +7.01%	#21

Exhibit 3: Newsweek's Greenest Companies

2009	COMPANY	2010	2009	CHANGE	2010	2011	2012
#1	Hewlett-Packard	Stock Price: $44.16 (Q4) Net Income: $8.76M Sales: 126.033B	Stock Price: $52.93 (Q4) Net Income: $7.66M Sales: $114.552B	Stock Price: –$8.77 Net Income: +14.36% Sales: +10.02%	#2	#2	#2
#2	Dell	Stock Price: $13.74 (Q3) Net Income: $1.43M Sales: $52.90B	Stock Price: $16.92 (Q3) Net Income: $2.48M Sales: $61.10B	Stock Price: +$3.18 Net Income: –42.34% Sales: –15.48%	#1	#5	#4
#3	Johnson & Johnson	Stock Price: $64.76 Net Income: $13.33B Sales: $61.59B	Stock Price: $64.96 (Q4) Net Income: $12.27B Sales: $61.90B	Stock Price: –$0.20 Net Income: +8.71% Sales: –.50%	#4	#6	#36
#4	Intel	Stock Price: $21.91 (Q4) Net Income: $11.46B Sales: $43.62B	Stock Price: $20.67 (Q4) Net Income: $4.37B Sales: $35.13B	Stock Price: +$1.24 Net Income: +162.39% Sales: +24.2%	#5	#15	#7
#5	IBM	Stock Price: $146.79 (Q4) Net Income: $14.83B Sales: $99.87B	Stock Price: $132.57 (Q4) Net Income: $13.43B Sales: $95.76B	Stock Price: +$14.22 Net Income: +10.49% Sales: +4.29%	#3	#1	#1
#6	State Street Corp	Stock Price: $47.77 (Q4) Net Income: $1.56B Sales: $8.95B	Stock Price: $55.17 (Q4) Net Income: $(1.88B) Sales: $8.64B	Stock Price: –$7.40 Net Income: +182.72% Sales: +3.62%	#35	#302	#280
#7	Nike	Stock Price: $46.15 (Q4) Net Income: $1.91B Sales: $19.01B	Stock Price: $33.05 (Q4) Net Income: $1.49B Sales: $19.18B	Stock Price: –12.9 Net Income: +28.24% Sales: –0.84%	#10	#243	#175
#8	Bristol Myers Squibb	Stock Price: $27.51 (Q4) Net Income: $6.07B Sales: $19.48B	Stock Price: $25.96 (Q4) Net Income: $5.60B Sales: $18.81B	Stock Price: +$1.55 Net Income: +8.37% Sales: +3.59%	#17	#62	#78
#9	Applied Materials	Stock Price: $14.13 (Q4) Net Income: $937.87M Sales: $9.55 B	Stock Price: $14.00 (Q4) Net Income: $(305.3M) Sales: $5.01B	Stock Price: +$0.13 Net Income: +3,174.66% Sales: +90.45%	#8	#43	#47
#10	Starbucks	Stock Price: $32.93 (Q4) Net Income: $945.6M Sales: $10.71B	Stock Price: $23.68 (Q4) Net Income: $390.8M Sales: $9.77B	Stock Price: +$9.25 Net Income: +141.97% Sales: +10.89%	#33	#82	#90

Exhibit 3: Newsweek's Greenest Companies

2009	COMPANY	2010	2009	CHANGE	2010	2011	2012
490	Duke Energy	Stock Price: $55.59 (Q4) Net Income: $1.32B Sales: 14.28B	Stock Price: $53.43 (Q4) Net Income: $1.09B Sales: $12.73B	Stock Price: +$2.16 Net Income: +23.02% Sales: +12.10%	#486	#382	#409
491	First Energy Corp	Stock Price: $47.03 (Q1) Net Income: $7.60M Sales: $13.34B	Stock Price: $52.96 (Q1) Net Income: $990M Sales: $12.97B	Stock Price: –$5.93 Net Income: –23.23% Sales: +2.82%	#490	#490	#491
492	Southern Company	Stock Price: $33.65 (Q1) Net Income: $3.07B Sales: $17.46B	Stock Price: $37.47 (Q1) Net Income: $2.60B Sales: $15.74B	Stock Price: –$3.82 Net Income: +17.74% Sales: +11.15%	#494	N/A	N/A
493	Bunge	Stock Price: $55.83 (Q3) Net Income: $2.35B* Sales: $43.95B	Stock Price: $72.41 (Q3) Net Income: $361M Sales: $39.60B	Stock Price: –$16.58 Net Income: +552.08%* Sales: +16.04%	#499	#493	#482
494	American Electric Power	Stock Price: $37.70 (Q4) Net Income: $1.22B Sales: $14.43B	Stock Price: $35.58 (Q4) Net Income: $1.37B Sales: $913.49B	Stock Price: +$2.12 Net Income: –10.77% Sales: +6.95%	#495	#424	#471
495	Ameren	Stock Price: $27.69 (Q4) Net Income: $1.39M Sales: $7.64B	Stock Price: $34.92 (Q1) Net Income: $612M Sales: $7.14B	Stock Price: $7.23 Net Income: 77.29% Sales: +7.05%	#498	#494	#485
496	Consol Energy	Stock Price: $48.74 (Q4) Net Income: $346.80M Sales: $5.24B	Stock Price: $52.87 (Q4) Net Income: $539.70M Sales: $4.62B	Stock Price: $4.13 Net Income: 35.74% Sales: +13.29%	#496	#496	#494
497	Not Available						
498	Allegheny Technologies	Stock Price: $58.97 (Q4) Net Income: $78.7M Sales: $4.05B	Stock Price: $45.73 (Q4) Net Income: $38M Sales: $3.05B	Stock Price: +$13.24 Net Income: +107.11% Sales: +32.79%	#428	#482	#487
499	NRG Energy	Stock Price: $23.44 (Q3) Net Income: $477M Sales: $10.71B	Stock Price: $29.13 (Q3) Net Income: $942M Sales: $8.95B	Stock Price: $5.69 Net Income: 49.36% Sales: –1.15%	#492	#474	#434
500	Peabody Energy	Stock Price: $64.21 (Q4) Net Income: $802.20 M Sales: $6.86B	Stock Price: $47.81 (Q4) Net Income: $463M Sales: $6.01 B	Stock Price: +$16.40 Net Income: +73.26% Sales: +14.11%	#500	#492	#493

*2010 Net income for Bunge is largely affected by a $2.440 Billion gain on sale of fertilizer assets. This gain is not present in any other year. Without this gain, the net income would have been drastically smaller and the net income growth equally smaller.

Exhibit 4: Fortune Magazine: The World's Most Admired Companies

2009	COMPANY	2010	2009	CHANGE	2010	2011	2012
1	Apple	Stock Price: $325.29 (Q4) Sales: $39.54M Net Income: 14.01B	Stock Price: $211.64 (Q4) Sales: $42.91B Net Income: $8.24B	Stock Price: +$113.65 Sales: –7.85% Net Income: +70.02%	#1	#1	#1
2	Birkshire Hathaway	Stock Price: $83.34 (Q3) Sales: $136.19B Net Income: $12.97B	Stock Price: $70.80 (Q3) Sales: $112.49 Net Income: $8.06B	Stock Price: +$12.54 Sales: +21.07% Net Income: +60.92%	#3	#3	#7
3	Toyota Motor *Amount in Yen, Converted to 2013 USD at XE.com	Stock Price: $74.25 (Q3) Sales: $193.05B Net Income: $682.444	Stock Price: $87.43 (Q3) Sales: $209.14B Net Income: $(1.42M)	Stock Price: –$13.18 Sales: –7.69% Net Income: –13.68%	#7	#33	#33
4	Google	Stock Price: $626.77 (Q4) Sales: $29.32M Net Income: $8.51M	Stock Price: $622.73 (Q4) Sales: $23.65M Net Income: $6.52M	Stock Price: +$4.04 Sales: +23.97% Net Income: +30.52%	#2	#2	#2
5	Johnson & Johnson	Stock Price: $64.76 (Q4) Sales: $61.59B Net Income: $13.33B	Stock Price: $64.96 (Q4) Sales: $61.90B Net Income: $12.27B	Stock Price: –$0.20 Sales: –.50% Net Income: +8.71%	#4	#17	#12
6	Procter & Gamble	Stock Price: $65.24 (Q4) Sales: $78.94M Net Income: $12.74M	Stock Price: $63.19 (Q4) Sales: $76.69M Net Income: $13.44M	Stock Price: +$2.05 Sales: +2.93% Net Income: –5.21%	#6	#5	#9
7	FedEx	Stock Price: $95.21 (Q4) Sales: $34.73B Net Income: $1.18B	Stock Price: $91.36 (Q4) Sales: $35.50B Net Income: $98M	Stock Price: +$3.85 Sales: –2.17% Net Income: +20.41%	#13	#8	#6
8	Southwest Airlines	Stock Price: $14.26 (Q4) Sales: $12.10B Net Income: $459M	Stock Price: $11.45 (Q4) Sales: $10.35B Net Income: $99M	Stock Price: +$2.81 Sales: +16.91% Net Income: +363.64%	#12	#4	#10
9	General Electric	Stock Price: $18.45 (Q1) Sales: $150.21B Net Income: $12.18B	Stock Price: $17.07 Sales: $155.28B Net Income: $11.23B	Stock Price: +$1.38 Sales: –3.27% Net Income: +8.46%	#16	#13	#15
10	Microsoft	Stock Price: $28.30 (Q4) Sales: $62.49B Net Income: $18.76B	Stock Price: $31.17 (Q4) Sales: $58.44B Net Income: $14.57B	Stock Price: –$2.87 Sales: +6.93% Net Income: +28.76%	#11	#9	#17

Exhibit 5: Graphic depiction of financial changes

↑	Increased from Year 1 to Year 2	Stayed the same from Year 1 to Year 2	↔
↓	Decreased from Year 1 to Year 2	Information not available	N/A

Best Companies to Work For

COMPANIES	STOCK PRICE	NET INCOME	SALES	RANK
SAS	N/A	N/A	N/A	↑
Edward Jones	N/A	N/A	N/A	↓
Wegmans	N/A	N/A	N/A	↔
Google	↑	↑	↑	↔
Nugget Market	N/A	N/A	N/A	↓
Dream Works	↓	↓	↑	↓
NetApp	↓	↑	↑	↑
Boston Consulting Group	N/A	N/A	N/A	↑
Qualcomm	↑	↑	↑	↓
Cameden Property Trust	↑	↑	↑	↑

Most Innovative

COMPANIES	STOCK PRICE	NET INCOME	SALES	RANK
Apple	↑	↓	↑	↔
Google	↑	↑	↑	↔
Toyota	↓	↓	↓	↓
Microsoft	↓	↑	↓	↑
Ninetendo	↓	↑	↓	↓
IBM	↑	↑	↑	↑
Research in Motion	↓	↑	↓	↓
Hewlett-Packard	↓	↑	↓	↓
Nokia	↓	↑	↓	↓
Walmart	↓	↑	↑	↓

Greenest US Companies

COMPANIES	STOCK PRICE	NET INCOME	SALES	RANK
Hewlett-Packard	↓	↑	↑	↓
Dell	↑	↓	↓	↑
Johnson & Johnson	↓	↑	↓	↓
Intel	↑	↑	↑	↓
IBM	↑	↑	↑	↑
State Street Corp	↓	↑	↑	↓
Nike	↓	↑	↓	↓
Bristol-Myres Squibb	↑	↑	↑	↓
Applied Materials	↑	↑	↑	↑
Starbucks	↑	↑	↑	↓

Greenest US Companies (Botton 10)

COMPANIES	STOCK PRICE	NET INCOME	SALES	RANK
Duke Energy	↑	↑	↑	↑
First Energy Corp	↓	↓	↑	↑
Southern Company	↓	↑	↑	↓
Bungee	↓	↑	↑	↓
American Electric Power	↑	↓	↑	↓
Ameren	↓	↓	↑	↓
CONSOL Energy	↓	↓	↑	↔
Not Available	N/A	N/A	N/A	N/A
Allegheny Technologies	↑	↑	↑	↑
NRG Energy	↓	↓	↓	↑
Peabody Energy	↑	↑	↑	↔

World Most Admired

COMPANIES	STOCK PRICE	NET INCOME	SALES	RANK
Apple	↑	↓	↑	↔
Berkshire Hathaway	↑	↑	↑	↓
Toyota	↓	↓	↓	↓
Google	↑	↑	↑	↑
Johnson & Johnson	↓	↓	↑	↑
Procter & Gamble	↑	↑	↓	↔
FedEx	↑	↓	↑	↓
Southwest Airlines	↑	↑	↑	↓
General Electric	↑	↓	↑	↓
Microsoft	↓	↑	↑	↓

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PARADIGM SHIFT TO ORGANIZED RETAIL: EMPIRICAL EVIDENCE

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ABSTRACT

Retail Sector has been pronounced as a growing sector worldwide and India is no exception. Globetrotting consumers, increasing awareness, mounting needs fuelled with high disposable income, are some of the reasons for increasing importance of this sector. Currently the sector is concentrated in the unorganized form. The government through its policies is trying to provide a fillip to the organized retail. This paper tries to identify the factors influencing buying behavior of consumers which contribute to the shift from unorganized to organized retailing. The paper applies factor analysis and cluster analysis to study market segmentation on the basis of demographic variables. The results reveal that the respondents can be categorized into two clusters. One cluster of not so favorable respondents towards organized retailing consists of consumers in the higher age groups, home makers and self employed respondents with income less than Rs 50,000 per month. and second cluster includes respondents favorable towards organized retail comprising of service class with age less than 40 years and income levels above Rs 50,000 per month. It was observed that consumer buying behavior in organized retail stores is greatly influenced by age, income and occupation of the population.

Keywords: Organized Retailing, Unorganized retailing, FDI, Buying behavior, Consumer.

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INTRODUCTION

Retail is India's largest industry, and arguably one with a notable impact on the population. It is considered to be the country's largest source of employment after agriculture and contributes more than 10 percent to GDP. However, retailing in India has so far, been mostly dealt by small unorganized entrepreneurs and a gradual change towards a more organized form of retail is being witnessed. *Indian Retail Market: Opening more doors*, a report published by Deloitte (2013) states that currently the organized retail comprises of 8 per cent of the total retail market. It is expected to grow much faster than traditional retail and gain a higher share in the retail market in India. Further, estimates reveal that the organized retail share would scale up to 20 per cent by 2020.

Governmental policies have also been providing the necessary fillip to the organized retail. In January 2012 the government announced 100% FDI in single brand outlets with a condition that 30 percent of its goods would be sourced from India. This was followed by 51% FDI in multi-brand retail in September, 2012.

According to the report by Deloitte (2013), "The Indian retail industry has experienced growth of 10.6% between 2010 and 2012 and is expected to increase to USD 750-850 billion by 2015. Food and Grocery is the largest category within the retail sector with 60 per cent share followed by Apparel and Mobile segment". The inherent attractiveness of this segment has lured retail giants resulting in increased investments. In terms of growth potential, the Indian retail market is rated as the second largest. Tier-II cities are already receiving focused attention of retailers and the other smaller towns have joined the bandwagon. The contribution of these tier-II cities to total organized retailing sales is expected to grow by 20-25%.

India presents a large market opportunity, in terms of its large population and their increasing purchasing power, there are significant challenges as well. The challenges include: Geographically dispersed population, small ticket sizes, complex distribution network, and little use of IT systems, limitations of mass media and existence of counterfeit goods. The current paper tries to fathom the reasons for the shift of consumers from unorganized to organized retail sector and identifies the role of demographics in this shift.

LITERATURE REVIEW

The Indian retail sector accounts for over 20% of the country's gross domestic product (GDP) and contributes 8% to total employment, according to PwC (2012) report. The fastest growing segments include wholesale cash and carry stores (150 per cent) followed by supermarkets (100 per cent) and hypermarkets (75-80 per cent). The major identified reasons include changing lifestyles, strong income growth and favourable demographic patterns. The mall space changed from a meagre one million square feet in 2002 to estimated 60 million square feet by end-2008, according to Jones Lang LaSalle's third annual Retailer Sentiment Survey-Asia.

Sproles & Kendall (1986) developed the Consumer Style Inventory (CSI) to determine the characteristics of consumer decision-making styles amongst young consumers in the USA. According to them identification of characteristics among consumers "helps to profile an individual consumer style, educate consumers about their specific decision making characteristics, and counsel families on financial management". They recommended using the inventory with different population groups so as to determine the generality of its applicability.

Mohanty & Panda (2008) opine that retailing as a sector in India occupies important place in the socio-economic growth strategy of the country. India is witnessing retail boom which is being propelled by increased urbanization, rising purchasing power parity (PPP) of the burgeoning India's middle class, changing demographic profiles, heavily tilted young population, technological revolution, intense globalization drive etc. Sahu (2010) described that a rise in consumer confidence, improvement in profitability and aggressive expansion plans signal better tidings for listed players in the organized retail space. Gellner (2007) stated that there is a significant profitability challenge, to deliver the brand promise in terms of quality and geographic spread, in line with the increasing consumer demand in India. Nagesh (2007) described that Indian retailing will witness a sea of change in the next five years, ushering consumption boom never seen in the history of any country. Akash (2009) describes that retail business in India, as anywhere else in the world, will play a crucial role in an economy. Gibson, CEO (2007), Retail Association of India opined that "modern retailing today is growing faster than expected while the current growth rate is around 30 percent, the sector is expected to grow at 40-50percent on a year basis".Shivkumar, Executive Director and leader of Retail and Consumer Practices, Price Warehouse Co-operatives, also holds the opinion that retailing is the next sunrise segment for the economic development of the country. Mishra (2008) opined that there is a hectic activity in the sector in terms of expansion, entry of international brands and retailers, technology, operations, infrastructure and processes. All these bring forth tremendous opportunities in this high growth industry. Yuvarani (2010) described that the size of the Indian Retail market is currently estimated at Rs 704 cores which accounts for a meager 3% of the total retail market. As the market becomes more and more organized, the Indian retail industry will gain greater worth. Biyani (2007) stated that,"we are on the cusp of change wherein a huge, culturally divergent India is changing from a socialist economy to a consumption-led, creative economy". The scope and depth of change that is taking place due to the revolutionary retail market has propelled a gigantic opportunity for marketers and retailers. In addition the change has been observed not only in large cities but also in small towns. Kearney (2007) explained that the retail sector provides a unique platform to India but the government, both central and state, needs to engage with the sector and utilize its potential for social development. So the Indian market and its consumers are poised for a retail consumption explosion that will also continue in the future. Mulky, A.V; Nargundkar, R(2003), pointed to the fact that the structure of a country's retail sector has an enormous influence on marketing strategy and activities of firms. According to Bhatnagar, M (2006), the Indian retail sector is undergoing a metamorphosis and Mishra, M (2007), came to the conclusion that a thorough understanding of the perception of the consumer is essential for grocery retailing. Kaur, P; Singh, R (2007) tried to study the changing lifestyle of the Indian consumer and how it is imperative for the retailers to understand the patterns of consumption. Mishra, M (2007) stated that the changing consumption patterns trigger changes in shopping styles of consumers. According to Mitchell & Boustani, (1994) organized retail has dramatically changed not only the Indian traditional retailing structure but also the consumption behavior of consumers. Mishra (2008) reveals that mall space, demography, growing young population, accessibility of brands, and ease of retail finance, changing lifestyle, modern retail formats and foreign direct investment are the strengths for modern retail model. Arshad et al (2007) and Ghosh et al (2010) stated that 47% of India's population is below the age of 20 and this will increase to 55% by 2015. Further, it is assumed that this young population will vastly add to the growth of the retail sector in the country According to Swar (2007), numerous demographic factors like rapid income growth, increasing urbanization, growing young population along with the principle of spend now vs. save, have aided the growth of organized trade in India. Hence it becomes imperative to identify the major reasons for choosing the organized retail stores in comparison to the conventional stores. In addition right market segmentation can further aid the stores in concentrating on the most probable customers. Kardes (1999) stated that differences in consumers' preferences, attitudes and perceived values are, in fact, one of the vital causes of market segmentation. The influence of these variables was noticed in the food market too (Kim, 2012).

Numerous bases for segmentation have been proposed, (Mangaraj and Senuer, 2001; McKinsey 2000; Green and Krieger, 1991; Grover and Srinivasan, 1987) but one technique commonly used in domestic market segmentation is cluster analysis. Cluster analysis groups objects by minimizing the within group differences and maximizing between group differences. Cluster analysis is often based on consumer attitude towards the products, perceived benefits, purchase propensities, lifestyle, or demographics (Punj and Stewart, 1983).The current study also employed to cluster respondents on the basis of demographic profile and their preference for organized retailing.

OBJECTIVE OF THE STUDY

- To determine the factors that influence the buying behavior of consumers resulting in a shift from unorganized to organized retailing.
- To segment respondents into clusters based on preference towards organized retailing.
- To classify the clusters on the basis of demographic profile.

RESEARCH DESIGN

The present study is descriptive in approach and is based on primary data. A structured questionnaire was designed to collect the data. Different factors to measure consumer buying behavior were identified through literature review and exploratory study. Validity of the questionnaire was checked through face validity method and was found to be high. Items were rated on Likert scale of five points which is the most popular choice for ordinal scale; the opinion indicated as 'strongly agree' has been assigned a weight of 5. To evaluate consumer buying behavior a total (summated) score was calculated for each respondent by summing across items. The final questionnaire was pre-tested on 35 consumers, followed by a reliability test using SPSS17.0.Cronbach's α for consumer buying behavior for 21 items came out to be 0.668.

SAMPLING AND DATA COLLECTION

The study was conducted in Delhi NCR region 350 customers/shoppers at various locations were selected to get the survey filled. The respondents included the shoppers visiting various supermarkets in Delhi &NCR region. Out of 350 questionnaires 204 complete questionnaires were received. Further, cleaning of data by deleting outliners resulted in effective sample of 191 respondents.

Materials and Methods

Sample Demographics:

In the sample comprising of 191, the distribution of demographic profile has been as follows:

- On the gender parameter, the sample comprised of 55.9% females and 44.1% males.
- In the case of marital status, 63.7% of the respondents were unmarried and 36.3% were married.
- The age category comprised of 41.6% belonging to 25-40 years category followed by 30.5% respondents belonging to the 40-55 years category, while 22.5% were in the age group of less than 25years and 7.4% were in the above 55 years age group.
- The education qualifications of 46.6% of the respondents was graduation followed by 30.4% respondents possessing a post graduation, while 20.6% had a professional degree and only 2.4% of respondents were not graduates.
- In the case of occupation 64.2% belonged to the service category followed by 23.6% who were self- employed and 12.2% were home makers.
- The income levels witnessed 39.7% respondents representing the 10,000-30,000 per month income group, followed by 34.8% belonging to the 30,000-50,000 per

month while 15.2% were in the above 50, 000 per month income bracket and 10.3% were in the less than 10, 000 income category.

Factor-Cluster Technique

It is commonly deployed for segmenting a market and includes a two-step process. In the first step the active variables are subjected to factor analysis, for identifying the underlying factors, and then these are clustered via hierarchical and nonhierarchical K-means cluster techniques. The hierarchical squared Euclidean distance is followed by the nonhierarchical K-means clustering. This combined method was chosen because the results of a hierarchical method could be refined using a nonhierarchical method (Hair et al., 2013).

To fulfill the objective of identifying important factors that influence the buying behavior of consumers, resulting in a shift from unorganized to organized retailing, factor analysis was performed. Factor analysis on consumer buying behavior helped in classifying 21 items into eight factors as given in Table 1. These eight factors explained58.92% of total variance. **"Add on facilities"** emerged as most important factor explaining 12.51% of variation and included" Provision for Carry Bags"(0.776), "Facility of Children Nursery" (0.720), "EDPL(EVERY DAY LOW PRICE) facility" (0.703) , "Availability of Food Courts" (0.594). The factor **"Tangible Offers"** emerged as a least important factor with 5.89% of variances which included "Attractive offers & Promotional schemes" (0.793) and "Convenient Parking" (0.630).

Table 1: Confirmatory Factor Analysis

	Factor Label and Variables	Rotated Factor Loadings
1.	**Add on Facilities**	
	Organized Retail Stores have provision for carry bags	0.776
	Organized Retail Stores have the facility of children nursery	0.720
	Organized Retail Store provide EDPL(EVERY DAY LOW PRICE) facility	0.703
	Organized Retail Stores have food courts	0.594
2.	**Entertainment and Convenience**	
	Organized Retail Stores are open seven days in a week	0.718
	Organized Retail Stores organize shopper programs	–0.595
	Organized Retail Stores have all the products under one roof	0.576
	Organized Retail Stores have entertainment and gaming zones	–0.491
3.	**Product Assortment**	
	Organized Retail Stores have variety of products	0.684
	Organized Retail Stores provide quality products	0.684
	Organized Retail Stores have branded goods	0.555
4.	**Congenial Environment**	
	Organized Retail Stores have good ambience	0.764
	Organized Retail Stores have non-interfering salesman	–0.539
5.	**Location and Availability**	
	Organized Retail Stores offer latest design and fashion	0.701
	Organized Retail Stores are conveniently located	0.681
6.	**Shopping Ease**	
	Organized Retail Stores offer better service	0.710
	Shopping in Organized Retail Stores is fun	0.669
7.	**Variety and Convenient Time**	
	Organized Retail Stores offer convenient shopping time	–0.649
	Organized Retail Stores provided in-house brands	0.647
8.	**Tangible Offers**	
	Organized Retail Stores provide attractive offers & promotional schemes	0.793
	Organized Retail stores have convenient parking	0.630

Barlett's test of sphericity = 0.00; Kaiser-Meyer-Olkin KMO (0.620)

The second objective was accomplished by randomly splitting the data into two parts using Bernoulli function (for generating random number). The data was divided in to two parts of 70% and 30%. Cluster analysis was employed (70% of the data, n=127) on the factors identified through factor analysis. No substantial multicollinearity between the independent variables was observed. The result was further validated on the remaining data. Chi-Square test was applied to profile the data.

Two clusters were identified on the basis of consumer perception. The respondents in cluster two had51 observations which was distinguished by relatively high means. Thus the cluster represented consumers , who were generally more favorable towards organized retailing where as the consumers in cluster one (n=76) was depicted as more neutral ,although still not exhibiting strongly negative perceptions towards organized retailing with cluster membership as depicted in

Table 2: Final Cluster Centers

	Cluster	
	1	2
Add on Facilities	2.71	4.22
Entertainment and Convenience	3.69	4.11
Product Assortment	3.65	3.97
Congenial Environment	3.82	4.11
Location and Availability	3.14	3.60
Shopping Ease	3.88	3.74
Variety and Convenient Time	4.02	3.82
Tangible Offers	3.85	3.89

Finally, to profile the clusters on the set of additional demographic variables (Gender, Age, Marital Status, Education Qualification, Occupation and Income)cross-classification was used. Significant chi-square values were observed for Age (0.16), Occupation (0.00) and Income (0.00). Several patterns were evident from Table 3.

Table 3: Chi Square

Customer Characteristics		Number of Cases per Cluster		
		1	2	Total
Age of Customers (in years)	Below 25 years	16	10	26
	25-40 years	25	28	53
	40-55 years	26	13	39
	Above 55 years	9	0	9
	Total (χ^2=10.368, $p < 0.05$)	76	51	127
Occupation of Customers	Homemaker	12	0	12
	Self Employed	25	6	31
	Service	39	45	84
	Total (χ^2=19.925, $p < 0.05$)	76	51	127
Income pre Month (In Rupees)	Less than 10,000	12	0	12
	10,000-below 30,000	29	15	44
	30,000-below 50,000	32	18	50
	Above 50,000	3	18	21
	Total (χ^2=27.222, $p < 0.05$)	76	51	127

Cluster 2 comprised of respondents who were favorable towards organized retailing. Cluster 2 primarily consisted of service class with an age of less than 40 years and income levels above 50,000. While the not so favorable cluster 1 majorly consisted of higher age groups, home makers and self employed people with income levels less than 50,000.

The same procedure was employed for validation on the remaining 30% data and cluster centroids across the two subsamples were compared and no significant difference was observed between the two.

CONCLUSION

The retail sector has played a phenomenal role throughout the world in increasing productivity of consumer goods and services. There is no denying the fact that most of the developed economies are highly dependent on their retail sector as an engine for growth. The India Retail Industry is one of the largest and fastest growing sectors amongst all the industries. The size of India's retail sector is projected to increase to $850 billion by 2015 and the current organized retail share accounts for 8% of the total market.

The Retail Industry in India has brought forth several players into the market who have met with varied success. The major challenge is the heavy initial investments and competition from the unorganized markets, but nevertheless, the governmental initiatives have propelled growth.

The recent years have witnessed rapid conversion and higher returns in Indian retail stores across various categories. This can be contemplated as a result of the changing attitude of Indian consumers and their increasing acceptance to modern retail formats.

A vast majority of India's young population favors branded garments. With the influence of visual media, urban consumer trends have spread across to the rural areas also. The shopping extravaganza of the young Indians for clothing, positive income demographics, increasing population of young people joining the workforce with considerably higher disposable income, has ushered new possibilities for retail growth even in the Tier II and Tier III cities

Consumer buying behavior in organized retail stores is greatly influenced by age, income and occupation of the population. The market can be segmented into favorable and not so favorable consumers. People below 40 years of age, service class earning above Rs. 50,000 per month generally prefer organized retailing over unorganized one. The studies of organized retail business undertaken by Batra and Kazmi (2004) have also supported the fact that the income of the respondents influence the choice for quality, price, warranty/guarantee, brand, mode of payment and advertisement. According to Barak, B (1998) and Myers, H. and M. Lumbers, (2008) malls are catering to the needs of younger population segments. Moschis G.P. (2003) also viewed that shopping behaviour of the consumer is dependent on their age.

It becomes imperative that retailers woo their customers by offering them with wider and in-vogue items. Further the regular customers can have the information regarding the latest arrivals be notified through mobile marketing. Frequent buyers can accrue their points which can be redeemable during the festive seasons. The retailers can add bonus points if the consumer prefers to redeem the points during non-festive seasons too. Consumer databases can be maintained and data mining tools can aid effective positioning of products.

Estimates reveal high growth in the coming years. Retailers who can better attract the consumers through effective segmentation, targeting and positioning will emerge as leaders.

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ROLE OF HR PRACTICES IN ENHANCING ICT SKILLS IN GRADE A CITIES OF INDIA

Karishma Gulati, Shikha N. Khera***

ABSTRACT

This research work focuses on the analysis of HR practices listed as team building, empowerment, performance appraisal, pay system, supervisor's guidance, work environment, reward system, recruitment, training, strategic development of staff, creativity of employees and knowledge sharing on enhancing the Information and Communication Technology (ICT) skills of the employees of Information Technology (IT) industry in Grade A cities of India. The current research paper is an empirical study. Total 388 respondents from 6 IT companies (as per NASCOM 2011-12) of Grade A cities (Delhi, Mumbai, Chennai, Bangalore, Hyderabad and Kolkata) of India have been taken to examine the objectives. The findings of the study are that each HR practice equally helps in enhancing ICT skills of employees and therefore should be focused more in IT organizations.

Keywords (in alphabetical order): *Grade A cities, Information and Communication Technology skills, Information Technology Organizations, Human resource practices.*

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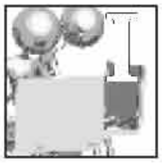
INTRODUCTION

HRM practices

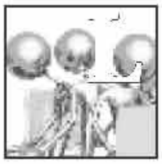
"Human resource management (HRM) is defined as the productive use of people in achieving the organisation's strategic business objectives" Stone, 1998

Human resource (HR) is significant input in the production process. Although the motive of HR is not limited to only compensation management, organisations handle employees through establishing human resource (HR) departments in a functional organisational structure (Fong, C-Y. et al., 2011). Human resource management (HRM) practices play authoritative role in building and nourishing organisational performance (Becker B. and Gerhart B., 1996). HR practices such as training, teamwork or incentives should be implemented for knowledge creation and knowledge sharing in organisations that in turn enhance ICT skills (Currie, G. and Kerrin, M., 2003; Cabrera, E.F. and Cabrera, A., 2005; Chen, C-J. and Huang, J-W., 2009) and should be more specifically adjusted to exploration initiatives (Donate, M. Javier and Guadamillas, F., 2011). According to Ulrich (1997), human resource management (HRM) plays vital role for competitiveness of many firms in spite of their sizes. For organizations HRM is a key to prepare the human assets that effectively contributes to the operations to accomplish the organizational goals. Lado and Wilson (1994) suggested that HRM practices can contribute to a firm's competitive advantage by facilitating development of competencies and organizational knowledge creation. Guest (2002) also suggested that investing in the appropriate HRM practices enhances commitment of employees.



MPORTANCE OF ICT SKILLS AND ROLE OF HR PRACTICES IN ENHANCING ICT SKILLS

As per the report by OECD (2012), Information and Communication Technologies (ICT) are progressively laying the foundation stones of every sector of modern economies. Promoting ICT skills and employment now-a-days has become an important goal for policy makers to harness the economic and social potential of these technologies. The infiltration of information and communication technologies (ICT) across all economic sectors along with changing business models, has induced "skill-biased organizational and technological change" (de Grip &Zwick, 2005; Green, 2009; Machin, 2001) and is affecting the employability and turnover by demanding more technology effectual skills from workers (OECD, 2012). ICT training increases the individual's self-efficacy when they go for job interviews and secure positive placement outcomes (Yvonne Loh, 2013). ICT-skilled workforce is well thought-out strategic asset that spurs economic growth, promotes competitiveness, and improves business productivity. A nation's economic wellbeing depends on both "the effective use of ICT for businesses and industrial processes and the knowledge, competencies, and skills of current and new employees" [European Commission, 2004, p. 2].ICT transforms the society and makes it a knowledge society. The diffusion of ICT in an array of economic activities is not only across various sectors, but also, athwart different types of jobs. It has been proved by various authors that these ICT skills are an entry ticket for getting a job in IT-intensive industries today. The rapid pace of technological development in the new knowledge economy has emerged gradually more powerful ICTs and escalating demand on workers with advanced (ICT) skills. This is also supported by Hull (2003) by his statement that "those employees who cannot access necessary information and training, and cannot keep up with technological revolution will be left behind and vulnerable, as knowledge economy has already wreaked havoc in unskilled and semi-skilled employment". That is why Green (2009) and Machin (2001) contended that workers in a broad multiplicity of fields have had to adapt and incorporate ICT into their jobs. These changes amplify the intricacy of skills required by today's workforce and threaten the position of low-skilled workers "when they do not succeed in adjusting their skills according to the required changes in the skills demanded in their job or sector of industry" (de Grip &Zwick, 2005, p. 6).



ITERATURE REVIEW

In the research report by Expert Group on Future Skill Needs (2012) it is emphasized that "the supply of high-level ICT skills is important in terms of meeting current business demand and driving future demand, supporting new business growth and inward investment". Although there is abundant literature that has inspected the importance of ICT skills in today's economy but there is shortage of literature on the impact of HRM practices on ICT skills of employees. Some of the concrete findings are as below:

As per the ICT Workforce issues paper (2013), in a complex ICT environment marked by peaks and troughs in recruitment activity, increased outsourcing, and the provision of complex, services, employment and career pathways in ICT have become increasingly diverse. Many high-skilled ICT workers source education from a variety of informal sources including specialist camps focusing on recent technological developments to ensure that they remain competitive in the employment market. Conversely, ICT workers with low-to-medium skills and qualifications are often required to undertake contract work that is vulnerable to outsourcing and off shoring. Maria Garridoet. al. (2009) specifies the types of ICT skills in their work as Industry specific, project-based and skill-based ICT skills. Industry-specific ICT training refers to "training in which ICT skills are tailored for specific sectors of the economy" (tourism, legal services, health, etc.). In these skills, ICT training also integrates other types of skills that are pertinent for a specific sector (for example, customer service skills for the tourism industry). Project-based ICT training is a training which is entrenched within a locally relevant purpose and in the context of social issues. For example, employees learn how to use SAS for different projects. However, it is less likely to yield employability outcomes if the training materials are too broad or too generic. Skills-based ICT training refers to stand-alone training on ICT applications without integrating any social purpose into the training. This training is the least adapted of the three, and invariably the least engaging and least effective curricular model in relation to employability. Leppimaki, Sami (2004) analyzed that ICT is nowadays incorporated into various sectors of economy. It has become an integral part of business now. Every business needs multitalented professionals with ICT skills as most important, and this can be possible only if employees have right attitude and willingness to learn new things. To motivate employees effective HRM practices are needed, thus when planning ICT education and training, the above mentioned results should be remembered. Due to the extensive importance of ICT skills, Information and Communication Technology (ICT) sector is heavily investing in HR practices to retain and motivate the IT professionals who are the assets for any organization (Samgnanakkan, 2010). This is in line with Maria Garridoet. al. (2012) who emphasized that developing ICT skills, blended with the training experience, can enhance employability in numerous ways as these not only develop basic digital proficiency but also help reinforcing their confidence and their ability to endure learning. Marianne Kolding and Vladimir Kroa (2007) studied European workforce of educational institutes and indicate a labour market which needed more enhancement of ICT skills irrespective of the job function. The author has also emphasized that with changing times, the demand for more sophisticated skills such as e-business skills and industry-specific applications (including technology based devices) may not be met as the organization neither has time and money, nor the inclination to provide their existing employees with the necessary training and therefore it is an indicative of a fissure which would need immediate attention in terms of workforce preparation to meet the growing ICT demands and challenges.

The influence of HR practices in molding individuals to these new roles is evident in the description of aesthetic labor outlined above, in particular the way in which the notion of "skills " is changing to encompass a wider range of attributes. The types of skills and competencies that are developed through the HRM system are not necessarily high level skills but are anticipated to fuel the knowledge economy. These new types of skills might be perceived as complementing rather than replacing technical and social skills (Nickson et al., 2003). Yet, as Grugulis (2007: 69) points out "it may not be possible to change an employee's soft skills and, when all training focuses on behavioral qualities, may deprive them of opportunities to learn technical skills which might provide more career advantages."Kathy Monks et. al. (2010) also studied that variousHR practices (job design, performance management and training and development) were used to manage ICT staff that was professionally and technically qualified in their holding.

RATIONALE OF THE STUDY

Effective human resource management practices are one of the imperative needs of the organizations to gain competitive advantage and a necessity for the employees to be productive in today's business environment. Productivity of employees does not mean to produce abundantly or yield favourable or useful results as per the organization but to enhance their skills so that these skills can be utilized further. Satisfaction of the organization from the productivity of employee should be supplemented with the satisfaction of the employee from their skills and self assessment. This can only be done by enhancing their ICT skills in the organization. Among the various skills, ICT skills are the most imperative one; as these skills help in effective communication which acts as a neural system of any sector. This can be elucidated with the assistance of existing literature that promotes motivation, alters individual's attitude, helps in socializing and assists in controlling process. In this research paper, the authors have identified that as communication is enhanced by using effective HRM practices, similarly ICT skills too can be improved by using effective communication. The existing literature review propounds that there are various HRM practices that affect the performance of employees by affecting their skills in different sectors; but rare evidence is found for the role of HRM practices in enhancement of ICT skills. The challenging aspect of HRM practices which is addressed in this research paper is the overarching question of the role of various HRM practices in enhancement of ICT skills of the employees of various IT companies in India. The authors have further added more HRM practices other than the practices studied in existing literature and have identified that these HRM practices create value among the employees by augmenting the various ICT skills. The authors have also analyzed the harmony between the HRM practices and ICT skills.

Research Objectives:

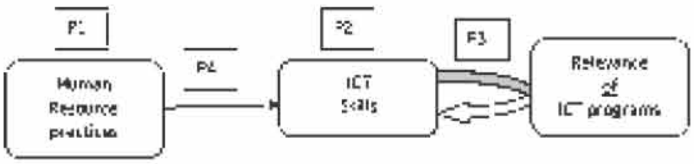
1. To identify the relevant HRM practices implemented in IT companies of Grade A cities of India.
2. To identify the required ICT skills to be present in employees of IT companies of Grade A cities of India.
3. To examine the relevance of ICT programs implemented in IT organizations of Grade A cities of India.
4. To study the impact of HRM practices on ICT skills of the employees of IT organizations of Grade A cities of India.

RESEARCH METHODOLOGY

Data Collection

Multistage sampling is used in the current research study. More than 100s of IT companies are present in whole India. The authors have focused on Grade A cities (Delhi, Mumbai, Chennai, Bangalore, Hyderabad and Kolkata) of India to probe the various objectives of this study. At the first stage, sample of 6 IT companies have been taken whose corporate headquarters are located outside India, but have significant India-centric delivery capabilities, and have not shared their India-centric revenue figures with NASSCOM. If they have had, they would also have been appeared in the top 20 ranking of NASCOM 2011-12, based on their India revenues (as per NASSCOM Resource Centre).The reason for selecting these 6 IT companies is that their various regional offices are in selected Grade A cities. Then at the second stage, departments of the organization have been selected. The basic 4 departments are chosen that take care of 90% of firm's work. These departments are HR, Operations, Marketing and sales and IT departments. At the final stage of multistage sampling, employees from these departments have been selected. Although sample of 400 employees was targeted but analysis of 388 respondents has been done due to incomplete questionnaire. These employees (respondents) have been selected irrespective of gender (by using convenience sampling). The research design is empirical in nature. This includes surveys, fact-findings and .theorising new knowledge. Data for current study has been obtained mainly from primary sources (using questionnaire) along with secondary sources. Primary sources include discussion with the employees of IT companies from various parts of the country (mentioned above) and filling up of questionnaire developed for the study. Questionnaire was divided into 4 parts to have the information for each objective and Likert scale is used to seek responses. Questions with checklist has been used to identify the required ICT skills to be present in employees of IT companies and to examine the relevance of ICT programs implemented in IT organizations of Grade A cities of India. Further to study the impact of HR practices on ICT skills of the employees of IT organizations Likert Scale is used. By means of survey and interviews, this empirical research paper aims at clarifying the role of HRM practices in enhancing the ICT skills of the employees. Secondary sources include internet, websites of various IT companies etc.

Conceptual Framework



Where

Preposition 1 (P1) is various HR practices implemented in IT companies of Grade A cities of India.

Preposition 2 (P2) is relevant ICT skills to be present in employees of IT companies of Grade A cities of India.

Preposition 3 (P3) is Impact of ICT programs implemented in IT organizations of Grade A cities of India on the employees.

Preposition 4 (P4) is the impact of HR practices on ICT skills of the employees of IT organizations of Grade A cities of India.

Hypothesis Formulation

H0: ICT programs implemented in IT organizations of Grade A cities of India have no impact on the development of the employees.

H0: HR practices have no significant impact on ICT skills of the employees of IT organizations of Grade A cities of India.

DATA ANALYSIS AND FINDINGS

To identify therelevant HR practices are implemented in IT companies of Grade A cities of India.factor analysis (using SPSS) has been executed and the first set of results appear in the form of rotated component matrix explained in Table 1 as the Factor loadings of these independent HRM practices are extracted. Extraction Method used is Principal Component Analysis and Rotation Method used is Varimax with Kaiser Normalisation.

By analyzing the Table 1 (extracted from various SPSS Tables) of rotated components, highest factor loadings in a particular component are combined together to form various factors that are defined in Table 2

Table 1: Rotated Component Matrix

	Component			
	1	2	3	4
Team Building	.076	.949	-.137	.007
Empowerment	.949	.005	-.064	.059
Training	.971	.120	-0.79	.118
Performance Appraisal	.022	.095	.243	.614
Reward System	.084	.107	-.036	.773
Pay System	-.009	-.112	-.101	.843
Supervisor guidance	.617	-.004	.207	-.082
Work environment	-.017	.941	.006	.080
Recruitment	.022	-.172	.847	.159
Strategic Development of staff	.929	-.025	-.112	.110
Creativity of employees	-.054	.013	.837	-.075
Knowledge Sharing	.901	.235	-.046	.073

After combining the various independent HR practices (variables) various factors are extracted. It is seen that together empowerment, training, supervisor's guidance, strategic development of staff and knowledge sharing form one factor (Factor 1) as they are very much interlinked together. Empowerment gives the employees a boost to take the decisions, training helps them to enhance their technical skills, supervisor's guidance complement their work, strategic development motivates them and knowledge sharing helps them to gain more innovative knowledge. Thus, all identified HRM practices help in the development of employees. Factor 2 has team building and work environment as variables as these also complement each other. Work environment or work culture affects the team relation. For Example, people from different parts of the country with different languages may not be able to form one team but if they all are comfortable with each other's language they can give competent ideas. Factor 3 has creativity and recruitment as variables; this may be because organizations may recruitment those individuals who are creative in their approach so that they can help in gaining competitive edge to the organization. Factor 4 has all the monetary and non-monetary rewards that motivate the employees to have cut-throat competition. Summary of these factors with factor loadings taken from Table 1 is shown in Table 2.

Table 2: Summary of factors extracted

Factors	Variables	Factor Loadings
Factor 1 (Factors help in development of employees)	Empowerment	.949
	Training	.971
	Supervisor's guidance	.617
	Strategic development of staff	.929
	Knowledge Sharing	.901
Factor 2 (Team oriented environment of organisation)	Team building	.949
	Work environment	.941
Factor 3 (Recruitment)	Recruitment	.847
	Creativity of Employees	.837
Factor 4 (Monetary and Non-monetary rewards)	Performance Appraisal	.614
	Reward system	.773
	Pay system	.843

After identifying the HRM practices being practiced in IT organizations under study, the reliability of these constructs. Reliability of the factors has confirmed using the Cronbach's Alpha reliability analysis.

Table 3: Reliability statistics

Factors	Cronbach's alpha coefficient
Factor 1 (Factors help in development of employees)	0.916
Factor 2 (Team oriented environment of organisation)	0.899
Factor 3 (Recruitment)	0.864
Factor 4 (Monetary and Non-monetary rewards)	0.986

The above Table (Table 3) demonstrates satisfactory reliability since the Cronbach alpha scores for each construct exceeds 0.70 which is the minimum acceptable value.

Further analysis of various HRM practices is done by descriptive statistics (using SPSS).

Table 4: Descriptive Statistics

Factors	Mean	Standard Deviation
Factor 1 (Factors help in development of employees)	3.87	1.084
Factor 2 (Team oriented environment of organisation)	3.77	1.068
Factor 3 (Recruitment)	3.61	1.261
Factor 4 (Monetary and Non-monetary rewards)	3.85	.843

Table 4 presents the result of descriptive statistics of all newly emerged factors. From the results it can be found that Factor 1 (empowerment, training, supervisor's guidance and strategic development of staff) has the highest mean, it suggests that these dimensions of factor 1 are highly practiced in IT organizations. Factor 3 (recruitment and creativity of employees) has got lowest mean signifying low attention of management towards these practices. Tabassum A. (2011) supported that the basic recruitment techniques do not create any value and suggested the use of creative recruitment techniques to catch the highly competent candidates who will be eligible for the job and perfect for the organization. Right recruitment technique is imperative to have right candidate with competitive knowledge. This thought is supported by the finding that an organisation if wants to maximize the best pool of candidates must quickly and cost economically recruit and select at priority; recruitment techniques have to increase their efficacy (Kleiman, L.S., 2005 cited by Tabassum, A., 2011), and IT organizations have to take care of their recruitment and selection process as human resources are the backbone of IT organizations.

Results show that empowerment, one of the dimensions in factor 1 is also highly practiced in IT organizations and is supported by literature well. Kahreh, MS., Ahmadi, H. and Hashemi, A. (2011) suggested that empowerment of employees helps in sprouting more superior, innovative and creative ideas, products or services. Therefore, to increase effectiveness and create more value of IT services, management should keep the same trend and pay attention on empowerment of their employees, along with the already existing practices of empowerment. This can also be done by creating sovereignty and establishing self-directed work groups.

Factor 3(recruitment and creativity of employees) has the highest Standard Deviation showing that respondents are having varied responses thus difference in perception for this factor. This can be associated with the complex hiring process being followed at IT organizations. Factor 4 (performance appraisal, reward system and pay system) having lowest SD shows that respondents are clear in their mind with respect to their career development procedures at IT companies. This result indicates that the IT companies are moderately fair and transparent in their approach towards employee performance and reward. Previous work of Ruwan, A. 2007, contended that performance appraisal and reward plays a vital role in improving companies operations by increasing efficiency in line with Ahmad, S. and Shahzad, K. (2011) who asserted that financial rewards and compensation have positive impact on influencing performance of employees. Also, promotion ensures the career development focus by the organization and at the same time helps to improve the employee morale (Jackson, J. H. & Mathis, R. L., 2005 cited by Tabassum A., 2011).

1) To identify the required ICT skills are needed in employees of IT companies of Grade A cities of India.

Table 5: Cross tabulation for department and skills to be present (as expected by employees)

Department	General basic skills (like use of printers etc)	Word Processing skills	Presentation skills	Spreadsheet skills	Database skills	Graphic skills	Internet skills	Total no of respondents (from each department)
HR	53	32	32	37	21	36	55	56
Marketing Sales	60	62	63	61	37	58	52	64
Operations	57	50	18	28	21	37	17	59
IT	208	206	186	198	199	164	202	208
Other	1	1	0	0	1	0	1	1
Total	379	351	299	324	279	295	327	388

Table 6: Cross tabulation for department and skills present in employees (as per their perception)

Department	General basic skills (like use of printers etc)	Word Processing skills	Presentation skills	Spreadsheet skills	Database skills	Graphic skills	Internet skills	Total no of respondents
HR	41	24	12	7	21	36	34	56
Marketing Sales	21	34	63	61	37	58	52	64
Operations	26	50	18	28	21	37	17	59
IT	202	158	129	113	123	158	209	208
Other	1	1	0	0	1	0	1	1
Total	291	243	210	202	182	253	279	388

Table 7: Gap identified using Table 5 and Table 6

Skills	Expectation of employees	Actual capable employees	Gap between responses
General basic skills (like use of printers etc)	379	291	88
Word Processing Skills	351	243	108
Presentation Skills	299	210	89
Spreadsheet Skills	324	202	122
Database Skills	279	182	97
Graphic Skills	295	253	42
Internet Skills	327	279	48

It can be interpreted from the results of Table 7 (derived from Table 5 and Table 6) that IT companies still have to bridge a gap between the expectations for ICT skills and the actual capabilities of their employees. This has also been stated by Marianne Kolding and Vladimir Kroa (2007) in their research on e-skills in Europe. The identified gap can be bridged by extensive training and inspiring employees for team work. This is in line with the finding that the adoption and use of ICT skills and to maintain a professional relevance, it is imperative that employees endure a process of continuous learning and training within the organisation (Sambrook, 2003; Agostinhoet *al.*, 2002).

Further the most demanded skill for the employees at IT organizations has been analyzed using descriptive statistics

Table 8: Descriptive Statistics

ICT Skills	Mean	Standard Deviation
General basic Skills (like use printers etc)	3.43	.461
Word Processing Skills	3.02	.669
Presentation Skills	2.40	1.253
Spreadsheet Skills	2.92	.698
Database Skills	2.98	.766
Graphic Skills	2.40	.978
Internet Skills	3.41	.753

As per the report by The Department of Communications, Information Technology and the Arts, Australia (2006), the skills required in IT organizations vary considerably. These range from very specific in-depth technical knowledge and expertise to broader technical ability alongside good interpersonal and project management skills. Table 8 clearly depicts that general basic skills and internet skills are the most demanding ICT skills in IT organizations as they have the highest mean of 3.43 and 3.41 respectively. Following these word processing skills, database skills and spreadsheet skills are also demanding in IT organizations. Marianne Kolding and Vladimir Kroa (2007) supported this with their findings that basic ICT skills include use of email, basic word processing and spreadsheet applications.

General basic skills having the lowest standard deviation show that employees are well aware that these skills are imperative for any designation or job profile in IT organizations. In addition to ICT skills, employers also emphasize the importance of other competencies that increasingly play a role in the hiring and promotion decisions of employees at the workplace. Skills such as teamwork, collaboration, communication, etc., are among those abilities that employers seem to value (Chapple, 2006).

Presentation skills have the highest standard deviation. This shows that employees are not very clear whether these are important or not. It can probably be as there are some designations where employees work on technical front and the presentation of the work is given by leaders.

2) To examine the relevance of ICT programs implemented in IT organizations of Grade A cities of India.

H0: ICT programs implemented in IT organizations of Grade A cities of India have no impact on the development of the employees.

Ha: ICT programs implemented in IT organizations of Grade A cities of India have significant impact on the development of the employees.

Table 9: Correlation between ICT programs implemented in IT organizations and their impact on development of employees.

Independent variables Training or ICT Programs conducted in the organizations effects the following:-	**Dependent variable** ICT programs implemented in IT organizations enhance the ICT skills of employees
Performance / Productivity	.871 **
Attitude	.469 **
Job Satisfaction	.684 **
Customer Satisfaction	.569 **
Customer Delivery	.741**
Motivation Level	.619**
Growth Opportunity / Career Advancement	.912**
Knowledge Capture	.903**
Knowledge Dissemination	.901**
Better Understanding of Organization Process	.761**

(* - significant at 5% level; ** - significant at 1% level)

Results in Table 9 depict that ICT programs if implemented in IT organizations will help the employees in their career advancement. OECD (2012) also commented in their report that "employment in the ICT industry and employment of ICT specialist skills each accounts for up to 5% of total employment in OECD countries and ICT intensive-users account for more than 20% of all workers". Other than the growth opportunity, in future ICT skills will also help the employees in becoming more productive by efficient knowledge capture and dissemination which will lead to knowledge sharing, the phenomenon required to be competitive. Lin, H.F. (2007) also highlighted that the synergistic effect of collective wisdom and long run sustainable competitive advantage can be enjoyed by the firms through boosting the process of knowledge sharing because it accelerates the generation of new and improved ideas, processes, products and services.

With this H0 is accepted that ICT programs if implemented in IT organizations helps the employees in getting competitive advantage by developing their technical and strategic skills

3) To study the impact of HRM practices on ICT skills of the employees of IT organizations of Grade A cities of India.

H0: HR practices have no significant impact on ICT skills of the employees of IT organizations of Grade A cities of India.

Ha: HR practices have significant impact on ICT skills of the employees of IT organizations of Grade A cities of India.

To find the impact of HR practices on ICT skills of the employees of IT organizations of Grade A cities of India, correlation (using SPSS is executed) by having "ICT skills are important for development of employees" as dependent variable. The correlation values are shown in the Table below (Table 10)

Table 10: Correlation between HRM practices and their impact on ICT skills of employees

Independent variables	Dependent variable
Higher level of Team Building enhance ICT skills of employees	.073
Higher level of Empowerment enhance ICT skills of employees	.085
Extensive Training enhance ICT skills of employees	.983**
Fair Performance Appraisal and Reward System enhance ICT skills of employees	.529*
Appropriate Supervisor Guidance enhance ICT skills of employees	.964**
Higher level of Safe and Comfortable Work Environment enhance ICT skills of employees	.889**
Selective Hiring helps in enhancing ICT skills of employees	.786**
Appreciation for Creative Thinking enhance ICT skills of employees	.017
Knowledge Sharing helps in enhancing ICT skills of employees	.915**

(* - significant at 5% level; ** - significant at 1% level)

Further Table 10 reports that extensive training, supervisor's guidance and knowledge sharing are highly correlated with the enhancement of ICT skills of employees. Ipe, M. (2003) has also highlighted that training is an important practice in the context of development of employees. On the contrary, several organisations do not train their employees adequately in the skill of ICT (Neville, 2004). This is sometimes due to the: (a) mobility of employees, (b) expense of providing training and (c) loss in productivity when employees are absent for training purposes (Neville, 2004; McCormack and Jones, 1997). It appears that organisations face the difficulty in developing and implementing adequate ICT training programs (Bocijet al., 1999). All these positive correlations show that more the HRM practices will be implemented effectively higher will be the enhancement of ICT skills of employees.

Finally H0 is accepted and it is not dubious to say that the more vigilantly human resource practices and ICT programs will be implemented, it will have more positive upshot on the ICT skills of the employees. ICT skills not only accolade the growth opportunities of the employees but also are needed to carve up their involvement in the organization.

CONCLUSION:

Human Resources and their skills are important assets for an organization as it is the only sensitive area where if an organization lacks, has to pay in form of low competitive advantage. In today's information age, it is imperative to engrain ICT skills as it benefits the employees in their career advancement and overall growth of the organization. From the results of the study it can be drawn that without ICT skills, particularly basic ICT skills, the employees growth is severely hampered when competing in the job market. There is a broadly held view, in fact, by the majority of those involved in the hiring process that a lack of ICT user skills would either disqualify or impair (at various degrees) a candidate for a position. Even a candidate's practical experience would not significantly improve his/her chances of getting the job without ICT skills. However, school leavers/graduates are even more vulnerable in hiring situations if they do not have ICT skills than are experienced employees, particularly since the largest gap between employers' expectations of ICT skill levels and actual ICT skill levels is among this group (Marianne Kolding and Vladimir Kroa, 2007). But it is not only the enthusiastic employees who are responsible for gaining ICT skills, the organizations should also compliment their effort by implementing ICT programs and training in organizations, specifically the IT organizations which survive on ICT skills. Other than the training there are some more HRM practices like supervisor's guidance, safe work environment, knowledge sharing and fair appraisals that motivate the employees to learn cross skills and better understand the organization's processes. Above described HRM practice like training will generate value for the organization only if employees are provided with access to a core set of online modules and funded providers would offer an employee the support of a tutor or learner support assistant, either face to face or at a distance/online. Further the organizational leaders have to take a strategic decision of employing trainers who have the skills to educate human resources in becoming ICT literate. These will be those who are qualified ICT teachers and will teach in more formal settings and it is expected to have a wide range of people to be involved in supporting the development of ICT – including teachers of other subjects, intermediaries, volunteers, and digital mentors. Importance of ICT training cannot be neglected as developing ICT skills, especially in combination with the training experience itself, can advance employability in several ways. In addition to developing basic digital competence, the training helps expand and reinforce their social networks while imparting confidence in their ability to continue to learn. ICT training can also help overcome language barriers, a significant factor in finding employment. The process of language acquisition can be facilitated through ICT in various ways, including e-learning as well as the informal learning that occurs in digital literacy courses.

Finally it can be concluded that present research work will provide an insight to the IT industry on various dimensions of HR practices and ICT skills for enhancing ICT skills of employees of the Grade A cities of India and conceptually contribute to the academia for understanding the relationship and relevance between ICT skills and HR practices. Future scope of the current research include the conduct of studies on relationship between ICT skills and HR practices in other industries for better understanding of the concepts highlighted in the current research paper.

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AN EMPIRICAL STUDY OF TRAINING AND DEVELOPMENT IN DIFFERENT TYPES OF TRAVEL AGENCIES IN INDIA

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ABSTRACT

Training and Development plays a critical role in developing professionalism in the business of tourism and travel agency operations. However, past research reveals that training is being largely carried out in a haphazard and uncoordinated manner among travel agencies. This study has been carried out to explore the training and development initiatives in different types of travel agencies across India. The study was conducted on 450 employees from 50 travel agencies across India. A structured questionnaire on the Role of Training and Existing Policies was administered. The results show that there is a significant difference among the agencies on Training Environment, Training Benefits, Role of Training and Commitment to Training. Also, the results indicate while the employees of the travel agencies understand the Training Benefits, there is a significant gap in the Existing Training Policies, Commitment to Training, Training Practices, Role of Training, Employee Outlook to Training and Training Environment from what it should be. It is an area of concern since the quality of trained manpower is one of the key factors contributing to the service quality in the travel and tourism industry.

***Keywords :** Training Environment, Employee Training Outlook, Training Benefits, Training Practices, Role of Training, Commitment to Training*

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BACKGROUND

In today's global and highly competitive environment travel and tourism industry is facing rapidly changing expectations from travellers. To cater to their demand new offers and services are emerging in tourism, and the need for adequately qualified staff has become critical (Roberts, 1999; Kusluvan et al, 2010). Tourism is one of the biggest global industries that is not only growing exponentially but also improving as per the constant changes in tourism trends and consumer preferences. In fact, the tourism industry is a fast changing industry, challenged by globalization, a growing demand for customer orientation, increasing international competition, volatile markets in an insecure environment, changing customer demands towards individualization and significant potential in various market segments (Chand &Chauhan, 2003). In such a scenario, competition among global players of tourism-related service industries is unavoidable. The global village concept has increased the expectation of people from all spheres. To succeed in a competitive market, the organization must keep up with the pace of change and adapt to new conditions brought by change. Only those organizations that are capable of creating a competitive edge can continue their achievement. The apt way to reach such competitive edge in field is through human resource development (HRD). HRD is fast becoming a new competitive factor for the tourism industry (Ashraf &Mathur, 2003). Human resource development must be dynamic and directed strategically in order to adjust to the perceived opportunities and threats in the environment (Bécherel, 2001).

The need to develop the required human resources in various segments of the tourism industry has become imperative as a consequence of the rapid growth in tourism, rapidly changing technology and dynamic changes in the international tourism market (Raj, 2008). However, human resource is the most crucial and difficult resource to tackle. It is training, education and development of HRD that provide the needed stimuli to initiate an impulse of change in the organizational apparatus and lead to improve efficiency, productivity and administrative performance (Ashraf &Mathur, 2003). This calls for an organized approach for developing the most critical resource of the travel organizations. So far there is hardly any evidence that any kind of HRD approach is being followed by travel agencies. Even the travel agency literature is silent in this context (Chand &Chauhan, 2003). But lack of proper training is one of the main spheres of concern in the travel and tourism industry (Kusluvan et al, 2010). Some studies have been conducted to highlight the significance of HR practices in hotel companies. For example, both Lucas (1995, 1996) and Price (1994) find personnel specialists to be more in evidence in the hotel and catering sector than elsewhere. Harrington & Kendall (2004) observed that hotels are taking HR practices more seriously. They are adopting modern HR techniques to train and develop their employees. Earlier studies have looked at travel agencies in isolation and have inferred from the result that the industry is lagging in terms of professionalism (Chand &Chauhan, 2003).

Several human resource problems exist in tourism:

- Low wages, high demand for staff flexibility, little training provision, high staff turnover, skill shortages
- Qualifications from the tourism sector are much appreciated by other sectors and qualifications from other sectors are useful for tourism
- Many qualified employees leave the sector and many trained tourism school graduates do not enter the sector, leading to a sheer waste of resources and skills
- Forecasting which skills will be needed in future under conditions of sector volatility and vulnerability
- Multi-skilling, newly emerging and hybrid occupations reflect the trends for new types of services and growing demand for flexibility
- Sub-optimal state of tourism education and training and the associated skills shortages.

Compiled from various sources

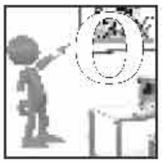
The need for skills, knowledge and vision is being felt more and more today. The amateur stage of the travel agency business is long over. Travel agencies need tourism professionals specializing in different operational and managerial functions – tour planning and itinerary designing, travel information, reservation and ticketing services, destination counseling, sales and marketing, finance and accounts, conferences and conventions, visa and travel insurance, foreign exchange services etc. Training and Development plays an important role in developing professionalism in the business of tourism and travel agency operations (Chand, 2000). According to Baum & Thompson (2007), within any economy seeking to operate competitively in the international tourism marketplace, the appropriate human resources, especially the skills, to deliver products and services of appropriate quality, are essential. The tourism sector does have a reputation for under investing in training (Canadian Tourism Human Resource Council, 2011). While giving an overview about the status of training and development in Hospitality, Roberts (1999) says that the hospitality industry has been slow to recognize the importance of effective staff training and development. In a research conducted by Chand (2000) it was found out that there was hardly evidence to show that any kind of 'HRD' approach was being followed by the travel agencies, forget about training and development initiatives. According to Batra and Chawla (1995), at present, there are no formal training programmes for the personnel in the field of activities of tourism.'

Tesone (2004) in a study on development of a sustainable tourism hospitality HRM Module points out that it is not possible to run sustainable tourism organization without a serious commitment to training programs. He also says that it is important for such organizations to provide training for careers as opposed to training just for specific jobs. Most operations managers think that training is a waste of money. It is difficult to convince them regarding the benefits to employees and the organization. Aktas et al (2001) conducted an audit of the manpower research in the hospitality sector. With the increase in competition in the hospitality sector, manpower has become an increasingly important factor. The labour-intensive aspect of the tourism sector has put pressure on all entrepreneurs to act according to the needs and expectations of internal customers (personnel) and external customers (customers, suppliers). Aktas et al studies personnel policies, recruitment methods and resources, future developments and the reasons for job changes for sample hotels in the Antalya Region in Turkey. The key findings clearly indicate that the most needed qualifications looked for in personnel are: professional training, level of education, foreign languages, desire for work, and speed of learning. Most establishments were using on-the-job training as their major tool for personnel skill improvement. Historically, management development practices in the hospitality industry have beenad hoc and piecemeal, with development being typically seen as something that only occurs early on in a manager's career (Baum, 2006b; Watson, 2006).

Unfortunately, lack of proper training is one of the main spheres of concern in the travel and tourism industry. It becomes imperative to investigate the training and development initiatives for the employees. It is against this background, the present study has been taken up. Based on the above literature a structured questionnaire was developed for the employees of the travel agencies to study their perspective towards training and development.

COPE OF THE STUDY

The study has been conducted across India, amongst fifty travel agencies which are recognized by IATA (International Air Transport Association). These agencies have a turnover more than Rs. 5 crores (as per MIDT data) and are either Indian Private or Government Agency or Multi-national Travel Agent or Online Travel Agency (OTA) in nature with more than 10 employees with respect to their strength. The employees in both sales and operations at junior, middle and senior levels have been taken for the purpose of this study. Tourism and travel have been used interchangeably, as this study is about travel agencies, and tourism industry encompasses all the players including, travel agencies, hotels, airlines, cargo companies, booking engines etc.



BJECTIVES OF THE STUDY

The main objectives of the Study are

1. To examine the role of training and development in travel agencies

2. To examine the existing policies of training and development in travel agencies

Hypothesis

H_1 There is low emphasis on organized procedures and structured policies for conducting training and development programmes

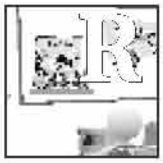
Research Methodology

The study has been conducted across India, amongst 50 travel agencies and a sample of 450 was taken wherein from each travel agency a sample of 09 employees was taken, with a ratio of 2:3:4, where 2 Senior-level (6.1 years and above work experience) employees, 3 Middle-level (2.1 – 6.0 years' work experience) employees and 4 Junior-level (upto 2 years' work experience) employees were taken. The employees belonged to Sales and Operations departments of the travel agencies. Stratified sampling technique was used. Table I gives the Sampling Distribution for the study.

Table I: Sampling Distribution

	Each Energy	Total Agencies	Total Employee
Senior Level Employees	2	50	100
Middle Level Employees	3	50	150
Junior Level Employees	4	50	200
Total Sample	09	50	450

Tool used: A questionnaire was developed and standardized titled "Training and Development for Employees of Travel Agencies." Section I of the questionnaire contained the Employee Demographic Characteristics; Section II consisted of 27 Statements on Likert Scale from 1 to 5 (ranging from Strongly Disagree – Disagree – Can't Say – Agree – Strongly Disagree). The questionnaire was administered personally to the employees. All the responses were found to be complete in all respects and hence used for analysis. Data collected for the study was analysed using SPSS.



RESULTS AND DISCUSSION

66% of the employees were from Indian companies, 18% were from Multinational (MNC) travel agencies, 10% were from Online Travel Agencies (OTAs) and 6% are from

Table II: Agency Demographics

Agency Type	Frequency
Government	27
Indian	297
MNC	81
OTA	45
Total	450

Factor analysis with principal component extraction was applied with varimax rotation to understand the factor loadings across the components. Cronbach's alpha was obtained to test the reliability of the data. Kaiser–Meyer–Olkin (KMO) was done for the sampling adequacy and Bartlett's sphericity test was conducted. Using the Rotated Matrix Component Table, the following Factor Loadings were derived (Table III).

Table III: Factor Loadings for Employee Training and Development in Different Types of Travel Agencies

	Training Environment	F1
V1	My organization has organized procedures for conducting training programmes for employees.	0.84
V2	My Organization encourages employees to identify training needs themselves.	0.84
V3	I am kept regularly informed of all changes in business practices, policies and systems that affect my role and work.	0.5
V4	Senior managers in my company are used as Resource persons for in-house training programmes.	0.39
	Employee Training Outlook	**F2**
V5	I should be able to apply my learning in the day to day work through training.	0.88

V5	I should be able to apply my learning in the day to day work through training.	0.88
V6	For me, training is a break from monotony.	0.85
V7	Training is a time for relaxation for me.	0.82
V8	I would like to attend those trainings which help in adding to my knowledge and skills.	0.85
	Training Benefit	**F3**
V9	Training is responsible for developing technical skills of employees in my organization.	0.64
V10	Training is responsible for developing behavioural skills of employees in my organization.	0.64
V11	Training has improved my quality of work.	0.84
V12	Training has improved my work-life.	0.84
V13	Training helps in improving the organizational culture in my organization.	0.82
V14	Training helps in building positive perception about my rganization.	0.82 o
V15	Training helps in optimum utilization of human resources in my organization.	0.44
V16	Training assists in increasing employee productivity in my organization.	0.44
	Role of Training	**F4**
V17	It is due to training that I have the skills I need to do my job.	0.85
V18	My management ensures that my training meets my needs for my current job.	0.81
V19	Training helps me keep myself abreast with the latest happenings in the industry.	0.79
	Training Practices	**F5**
V20	I am aware of available training and development activities in my Organization.	0.75
V21	There is a systematic training plan in my organization.	0.59
V22	I am frequently sent for trainings by the management of my organization.	0.64
V23	I get an opportunity to network with other colleagues during training.	0.74
V24	My Company is committed to improving the skills of current employees for improving their performance.	0.65
	Commitment to Training	**F6**
V25	I get the training I need to do my job well.	0.81
V26	I am given a real opportunity to improve my skills by the management of this Company.	0.53
V27	My Company invests in employees through training and development.	0.91

Total Variance Explained in the above for the 6 factors is 68.68% (Cumulative). The KMO and Bartlett's Test of sampling adequacy is .729, which is greater than 0.5 for a satisfactory factor analysis to proceed. From the 27 statements the following 6 dimensions were derived: Training Environment, Employee Training Outlook, Training Benefits, Role of Training, Training Practices and Commitment to Training. The Cronbach'sα value is 0.709, which exceeded the minimum standard of .7, suggesting and confirming about the reliability of the measures. *Training Environment* refers to the prevalent setting in which the emphasis is on the learning and acquisition of skills or competencies. *Employee Training Outlook* refers to the employees' point of view towards training, and how they perceive the function of training and development in their respective organizations. *Training Benefits* state the employees' perceived gains through training. *Role of Training* refers to the part played by training in an organization. This discusses the criticality of the function of training. *Training Practices* talk about the prevalent training operations and procedures in the organization. *Commitment to Training* is related to the attention and support provided by the organization to the employees for their training and development.

One way analysis of variance (ANOVA) was used to test if the employees from various travel agencies vary in their perceptions. Table IV shows the results of the ANOVA with Agency Type, and it indicates that out of seven factors, four are found to be statistically significant, namely: *Training Environment (p=.048), Training Benefits (p=.000), Role of Training (p=.021) and Commitment to Training (p=.015).* It implies that there is a significant difference in the perception of the employees working in different types of agencies (Indian, MNCs, OTAs and Government) towards the Training Environment, Training Benefits, Role of Training and Commitment to Training. The table of means (Table V) shows above average scores on Employee Training Outlook, Training Benefits, Role of Training and Commitment to Training for employees of Government agencies. This implies that in Government agencies employees prefer to attend to those trainings which help in adding to their knowledge and skills, and those whose learning they are able to apply to their day-to-day working. Employees also understand the importance of training and how it is responsible in developing their technical and behavioural skills. They acknowledge that training helps in improving their quality of work, work-life, organizational culture, building a positive perception about their organization, in optimum utilization of human resources and in increasing their productivity. They also feel that it is due to training that they have the skills required to do their job, and they keep abreast with the latest happenings in the industry. Employees in the Government agencies feel that they get the training they require and that their organization is committed to providing training to them. The average scores on Training Environment and Training Practices indicate that in Government agencies, employees feel that their organization does not have completely defined training procedures and they are not highly encouraged to identify training needs. They also feel that they should be more regularly informed about the work-related changes happening around them.

In both Indian travel agencies and MNCs, mean scores are high for Training Benefits, indicating that the employees strongly believe that training is responsible to developing their skills, improving quality of life and organizational culture, building a positive perception about their organization and increasing their productivity. The mean scores for Training Environment, Employee Training Outlook, Role of Training and Commitment to Training indicate lack of clearly defined training procedures. Employees of both Indian travel agencies and MNCs are not able to fully apply the learning through training, and their organizations perhaps are not able to send them for trainings for skills enhancement as much as they would ideally like. In Indian travel agencies, the mean scores are low with respect to Training Practices, which implies that there is less awareness among employees for the training and development activities in their organization and training is not very systematically carried out. In MNC travel agencies, mean scores are average for Training Practices, indicating a mediocrity with respect to their awareness levels for the prevalent training and development activities in their organization.

Table IV: Analysis of Variance on various factors of Role and Existing Policies of Training and Development according to Agency Type

		Sum of Squares	df	Mean Square	F	Sig.	Sig/NS
Training Environment	Between Groups	4.471	3	1.490	2.649	.048	Sig
	Within Groups	250.909	446	.563			
	Total	255.380	449				
Employee Training Outlook	Between Groups	3.431	3	1.144	2.229	.084	NS
	Within Groups	228.800	446	.513			
	Total	232.231	449				
Training Benefits	Between Groups	13.127	3	4.376	11.949	.000	Sig
	Within Groups	163.318	446	.366			
	Total	176.444	449				
Role of Training	Between Groups	9.823	3	3.274	3.270	.021	Sig
	Within Groups	446.677	446	1.002			
	Total	456.500	449				
Training Practices	Between Groups	.479	3	.160	.410	.746	NS
	Within Groups	173.379	446	.389			
	Total	173.858	449				
Commitment to Training	Between Groups	4.573	3	1.524	3.550	.015	Sig
	Within Groups	191.491	446	.429			
	Total	196.064	449				
Role and Existing T&D Policies	Between Groups	.479	3	.160	.674	.568	NS
	Within Groups	105.541	446	.237			
	Total	106.020	449				

In OTAs, the mean scores are low with respect to Training Environment and Training Practices (Table V). This implies that the employees in the OTAs are not too convinced about having organized procedures in their organization. They also feel that they are not given information about the latest happenings in the industry. They lack awareness about the training and development plan and activities of their organization, whereby they are not sure about the commitment levels of their company in improving the skills for performance enhancement. In OTAs, the mean scores are above average with respect to Employee Training Outlook, Training Benefits, Role of Training and Commitment to Training, indicating that they are able to apply the learning of the training and are keen to attend trainings for improving their knowledge and skills. They feel that training is useful for improving their work life, productivity and developing their skills, while improving organizational culture and building positive perception about the organization. They also feel that their organization is committed to improving their skills by providing training opportunities. There is no statistical difference with three factors, namely: *Employee Training Outlook (p=.084), Training Practices (p=.746) and Role and Existing T & D Policies (p=.568).* This implies that these factors do not contribute significantly to the overall employee perception towards training, across all kinds of travel organizations, irrespective of the Agency Type.

Table V: Mean Values on Agency Type of Employees for various factors of Role and Existing Training and Development Policies

Agency Type		Government	Indian	MNC	OTA	Total
Training Environment	Mean	3.18	3.09	3.03	2.77	3.06
	N	27	297	81	45	450
Employee Training Outlook	Mean	3.81	3.49	3.46	3.64	3.52
	N	27	297	81	45	450
Training Benefits	Mean	3.62	4.18	4.04	3.77	4.08
	N	27	297	81	45	450
Role of Training	Mean	3.74	3.4	3.56	3.84	3.5
	N	27	297	81	45	450
Training Practices	Mean	3.03	2.96	3.03	2.93	2.98
	N	27	297	81	45	450
Commitment to Training	Mean	3.51	3.29	3.17	3.51	3.3
	N	27	297	81	45	450
Role and Existing T&D Policies	Mean	3.37	3.27	3.27	3.35	3.28
	N	27	297	81	45	450

One Sample t-Test was applied to compare the means with the test value of 4. This test value indicates robust practices. The results indicate that there is a significant gap in the prevalent *Training Environment(p=.000)*, existing *Employee Training Outlook(p=.000), Training Benefits (p=.003), extant Role of Training(p=.000), existing Training Practices(p=.000)* and *Commitment to Training(p=.000)* from what it should be. There is a high level of significant difference between the overall perception of employees towards actual *Role of Training* and *Existing T&D Policies(p=.000)* (Table VI) of the travel agencies and what it should be. Employees feel that focus seems to be lacking in their respective travel agencies with respect to the Training Environment, Employee Training Outlook, Training Benefits, Role of Training, Training Practices and Commitment to Training.

Table VI: One Sample t-Test

	Test Value = 4			
	t	Df	Sig. (2-tailed)	Mean Difference
Training Environment	26.44	449	.000	-.940
Employee Training Outlook	14.02	449	.000	-.475
Training Benefits	3.00	449	.003	.088
Role of Training	10.51	449	.000	-.500
Training Practices	34.69	449	.000	-1.017
Commitment to Training	22.18	449	.000	-.691
Role and Existing T&D Policies	31.14	449	.000	-.713

Based on the above scores and results, the hypothesis, There is low emphasis on organized procedures and structured policies for conducting training and development programmes for employees is thus accepted.

CONCLUSION

This study indicates that by and large, travel agency employees across the country have a similar perception regarding the various aspects of training and development in their organization. They feel that overall there is low emphasis on the organized procedures and structured policies in their respective organizations. This is an area of concern since travel agencies need to have a robust training strategy in place, as it is their business requirement: MNC travel agencies have pressures from their home country to invest in their people and take initiatives to develop their skills. They are supposed to be the driving force for streamlining people practices in an otherwise unorganized industry. OTAs have taken over from the brick-and-mortar companies and employees of these organizations need to be highly tech-savvy and skilled. With over seventy per cent of travellers across the world booking their trips online, the online travel market has become extremely competitive. And this makes it imperative to not only find the right talent but also to be able to retain them to ensure that top quality service to every customer, increasing their chances of securing repeat business.Government organizations in India are facing a transition phase in the current globalization environment. To survive and excel in the new economy, the HRD climate is a matter of serious concern in Indian public sector organizations, and hence they need to have a high focus on people development. Indian companies on the other hand, are largely SMEs where training and learning faces a lot of barriers, looking at organizational constraints such as lack of time or limited financial resources, as well as negative attitudes towards employee training and its importance for business survival. But SMEs need to invest in innovation to face fierce national and international competition and achieve an above-average return, and this is only possible through a consistent human resource development initiative.

At a time when organizations are moving from an industrial society to a knowledge society and are facing stronger global competition, business leaders need to recognize that employee learning and skills development is more important than ever to grow and sustain a competitive advantage. With the kind of service industry travel and tourism is, it is imperative for the travel organizations to adopt consistent training practices and most importantly make the employees more sensitive towards critical role training plays in the organizations, particularly because the travel agency is a critical player in tourism, both in terms of employment potential and its role in the tourism distribution chain. An important intermediary that links the vendors to the end-customers, the travel agency is also the most important and lowest cost channel of distribution for airlines, despite the changing role due to change in technology. It thus becomes imperative for the travel agencies to focus on developing their human resources, so that they are able to survive the competition and consolidate their position in the industry.

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SOCIAL AND FAMILY PROBLEMS: WOMEN EXECUTIVES WORKING IN NCR

ABSTRACT

In today's fast-paced busy life, every professional has to undertake more than one responsibility, which demands striking a balance between work life and social life. The present paper examines the problems related to women executives in their social and family life. The primary objective of this paper is to analyze the perception regarding various social and family problems faced by women executives of service sector and manufacturing sector. The primary data has been collected, from 120 working executives, through structured interview. The purposive sampling method has been used to conduct interview. Further the collected data analyzed with the help of statistical tools like frequency distribution, mean and standard deviation. To test the hypothesis, t-test and ANOVA have been used and to find out correlation between social and family problems, Karl Pearson coefficient of correlation has been applied. The study concluded that the women executives living in nuclear family, having children, without domestic help, experience less of work life balance as having dependents in their family has shown higher degree of agreement about mentioned social and family problems.

***Keywords :** Work life Policies, Women Executives, Social and Family Problems, Personal Support System, NCR.*

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Today, with technology reaching its peak and competition in every sector, professionals have to always put extra efforts to strike a balance between personal and professional lives. A slightest imbalance, in any one of personal and professional lives, can instantly affect the other and may cause huge distress to the individual concerned. The composition of today's workforce constitutes a significant proportion of women professionals who are managing family, children and work. As a result, balancing work and profession has become an essential part of life for women executives. A significant percentage of women executives feel that taking care of day to day functioning of family is considered as women's responsibility, which affects their career decisions (Budhapriya 2009). As geographical mobility is risky for career progression and for family balance, many women managers choose to remain rooted at one place as tied-stayers (Bielby and Bielby, 1992). To lessen such type of problems women executives compromise with their jobs in favor of family (Joshi 1990).

The growing number of educated women in India who are now participating in the urban, organized, industrial sector in technical, professional, and managerial positions has been accompanied by a steady growth in dual career families (Komarraju 1997). Research conducted by Davidson and Cooper in 1983, found that as a rule, women managers experienced significantly more pressure and reported more stress manifestations than their male counterparts. Even though career demands may be equal for both the partners, married women executives do not receive the support they need from the organizations and society (Davidson and Cooper, 1986). A research on working women in India by (Sekran, 1992), shows that work and family dilemmas are often different from those reported by women in the west. Research conducted by Rout, Lewis and Kagan (1999) finds that women in India experience considerable pressure, in the morning before going out to work and after work have to do all that is necessary for the family.

Balancing work and family roles has become a key personal and family issue for many societies. Work and family are the two most importantaspects in people's life and, contrary to the initial belief that they are distinct parts of life; these domains are closely related.

REVIEW OF LITERATURE

Several researchers have indicated different aspects of work-life balance with special reference to working women. A brief review of some studies are as follows:-

Rastogi and Bansal (2012), conducted a research to examine the impact of family responsibilities on Women Professionals after marriage on career decisions. The study was conducted with 140 women professionals working in public sector, private sector, government services and in NGOs across different levels through purposive random sample method. Results indicated that Indian Women's career decisions are considerably affected by their family responsibilities. Further the study concluded that children's responsibility, lack of spousal support and structure of family hinder their ability to advance as women prioritize family over work.

Kumar and Sundar (Dec 2012), conducted a research to study factors that prevent women employees from aspiring for higher posts and further to study the impact of work-life of women employees on their social life. The study was conducted on the basis of a sample of 120 women executives working in public, private and new generation private sector banks in Puducherry. The factors for first objective were 'taking care of the family', 'combining domestic work and office work leaves no time for making us fit for higher posts', 'Physical strain necessitating longer hours of stay in the office', 'Strain of frequent tours and/ field visits' and 'Fear of transfer which disturbs family life and domestic peace'. Further factors taken to study the impact of work-life of women employees on their social life were 'satisfaction with contribution at home', 'Adverse effect on children's education', 'behavioral problems of children', 'hindrances of domestic responsibilities at career', 'work emergencies affecting domestic life' and 'ability to cope with work and career". The analysis indicates that women employees from the nuclear family are more disturbed by the fear of transfer and consequent loss of peace of mind. Women professionals from nuclear family are found to be more under performing than those from joint family. As regards ambition for career growth, unmarried and single categories have moderate ambition.

Patwa (2011), carried out a research with a sample 110 working professionals of banking and insurance sector to study their level of work life balance. She discussed concern for employees on the basis of 'Care of Elders', 'Educating Children', 'House work', and 'Shopping'. The study found that involvement of women professionals for all the four factors is more than men professionals. The study also concluded that working professionals are not able to spend enough time with their family. And this problem is more faced by employees of Insurance sector than the employees of banking sector.

Budhapriya (2009) conducted a study with 121 women professionals working in government services, public sector, private sector, and in NGOs across different levels to analyze barriers in the way of women professionals' career advancement. Findings of the study indicated that factors 'commitment to family responsibility' and 'lack of gender sensitive policies by the employer' are considered as important barriers, which affect the career advancement of women professionals to senior positions. Women professionals agree that children's responsibility hinders their ability to advance and therefore they are not able to utilize their full potential and at times they have to make career trade-offs because of the family responsibilities.

Eswari (2009)discussed 'Job Security', 'Unemployment' and 'Health Problems' as common problems faced by working women, whereas 'Dual responsibility', 'Working Women and Children', 'Control over Income' and 'Restriction on Movement' as problems related to the attitude of society and family.

Gunavathy and Suganya (2007) traced the causes, consequences and interventions for work life balance among married women executives of BPO sector. The authors have categorized causes for work life imbalance as organizational factors (work-related, time-related and relationship-related factors) and personal factors (lack of family support, marital conflicts and frequent change in sleeping patterns). Further consequences of work-life imbalance are stress, burnout, insufficient time for family, health problems,displacement of negative emotions on family members and on co-workers and poor work performance.

Beena C. (1999) conducted a research on a sample of 319 women executives from manufacturing, consultancy and service Industries to find out the difference and relationship between role conflict, role ambiguity and role overload experienced by the women executives in the Private and Public sector organizations and also tried to find out the association of family responsibilities with role conflict, role ambiguity and role overload experienced by women executives. According to the results of role overload is predominant due to their double role. 'Family responsibilities' is positively related with role conflict, and role overload. There is a significant positive relationship between role conflict and family responsibilities of women executives. Family environment and work environment are the two factors that contribute to the enhancement of complications or problems for employed women, and between the two, the non-job factors or family- related factors weigh more importantly for women (Joshi, 1990).

Summary of some important studies related to social and family problems

SR. No.	Social and Family Problems	Researchers
1.	Dual Responsibility	Kumar and Sunder (Dec 2012), Kumar and Sunder (July 2012), McKinsey & Company (2012), Gunavathy and Suganya (2007), Siobhan E. Austen and Elisa R. Birch (2000), Beena C. (1999), Eswari (2009)
2.	Restriction on Movement	Kumar and Sunder (Dec 2012)
3.	Lack of time to maintain Social Networking (role of women)	Reeta Chakrabarti (Nov 2013)
4.	Lack of time for Family	Patwa P. (2011), Buddhapriya (2009), Beena C. (1999), Eswari (2009)
5.	No help from Family Members	Gunavathy and Suganya 2007, A Khetarpal, G Kochar (2005)
6.	Responsibility of Elders	Patwa P. (2011), Beena C. (1999).
7.	Priority to Career Advancement	Rastogi and Bansal (2012), Kumar and Sunder (Dec 2012), Buddhapriya (2009)
8.	Overburden at Workplace	G.Shiva (2013), Kumar and Sunder (Dec 2012)
9.	Professional Diseases	Kumar and Sunder (July 2012), Gunavathy and Suganya (2007), Eswari (2009)
10.	High Expectations of Family Members related to domestic Duties	Siobhan E. Austen and Elisa R. Birch (2000), Patwa P. (2011)

The above mentioned review of literature clearly states that various researchers have conducted research to dig out the various social and family problems. It has reflected that no study has included all the social and family problems listed in the table. Hence the present study is a step in this direction to analyse the perception of working women on various social and family problems. Further it is worthy to mention that the social and family problems included in study are interrelated, so the present paper has also tried to establish correlation among various social and family problems.

METHODOLOGY OF THE PRESENT STUDY

While much research has been conducted on the work life balance and workplace problems, a little research has examined the family and social problems faced by working women. The current study mainly aims at the various family and social problems faced by women executives.

Objectives and Hypotheses of the Study

1. The objective of the study is to analyze the perception on various social and family problems faced by women executives working in service and manufacturing sector in NCR region,

2. Further the study attempts to find out the difference of perception regarding various social and family problems faced by women executives on the basis of demographic variables such as marital status, education, family structure, dependents in family, domestic helper, sector of employment, having children, age, income level and total work experience.

3. To find out the inter correlation between the various social and family problems faced by working women in NCR.

   On the basis of these objectives following hypotheses are formulated:

H_{01}: Social and family problems faced by women executives do not differ significantly on the basis of marital status of the respondents.

H_{02}: Social and family problems faced by women executives do not differ significantly on the basis of level of education of the respondents.

H_{03}: Social and family problems faced by women executives do not differ significantly on the basis of structure of family of the respondents.

H_{04}: Social and family problems faced by women executives do not differ significantly on the basis of having dependents in the family of the respondents.

H_{05}: Social and family problems faced by women executives do not differ significantly on the basis of having domestic helper in the family of the respondents.

H_{06}: Social and family problems faced by women executives do not differ significantly on the basis of sector of employment of the respondents.

H_{07}: Social and family problems faced by women executives do not differ significantly on the basis of having children of the respondents.

H_{08}: Social and family problems faced by women executives do not differ significantly on the basis of various age groups of the respondents.

H_{09}: Social and family problems faced by women executives do not differ significantly on the basis of various income groups of the respondents.

H_{010}: Social and family problems faced by women executives do not differ significantly on the basis of total work experience of the respondents.

H_{011}: There is no significant inter correlation among various social and family problems faced by women executives working in service and manufacturing sectors.

METHODS OF DATA COLLECTION

To achieve the objectives of the study a structured questionnaire has been used to collect primary data (structured interview) for the study. The various problems studied in the paper have been extracted from the various research papers mentioned in the review section. The respondents were asked to indicate their responses regarding various social and family problems on a five point Likert Scale (1 for strongly agree and 5 for strongly disagree). The sample for conducting the survey is confined to Delhi, Faridabad and Noida. The sample of 120 working women from service sector and manufacturing sector were interviewed with the help of purposive sampling method.

Statistical Tools

The collected primary data is ordinal in nature and has been analyzed by using descriptive statistics such as percentages, mean scores and standard deviation. To test reliability and validity of data, cronbach's alpha has been used and value was greater than.79. It indicates reliability of the data is high and the measure could be used for the study. To test the null hypotheses, t-test and F-test have been applied. The 'Structure-Direct Survey' method was used to design the survey as it is the most popular data collection method involves administrating a questionnaire (Malhotra and Dash, 2011). There is a correlation among various social and family problems faced by working women (Nezhad, Goodarzi and Roushani, 2010). To find out the correlation among various factors related to social and family problems, Karl Pearson coefficient of correlation has been used. These statistical techniques are run through SPSS version 19. Following table shows distribution of demographic characteristics of respondents for the present study.

ANALYSIS AND FINDINGS

To find out the hierarchy of the various social and family problems mean values and their respective ranks are calculated (table 2). It is very much clear that 'Dual Responsibility' is the most intense family problem faced by the women executives, followed by 'Responsibility of Elders', 'Lack of time to maintain Social Networking' and 'Lack of time for Family Affairs'. One very important finding of the study revealed that women executives have reflect their disagreement towards the 'No help from Family Members', but here the value of standard deviation is also above 1, hence there is a wide variation of views regarding this issue among women executives under this study.

DEMOGRAPHIC VARIABLES AND VARIOUS SOCIAL AND FAMILY PROBLEMS FACED BY WOMEN EXECUTIVES

This section of the paper will bring forth the analysis related to perception of women executives according to their demographic characteristics. Table 3 depicts variation of perception of women executives according to their marital status. The perception regarding the problem 'Responsibility of Elders' differs significantly at 1 percent level of significance. The unmarried women executives are almost neutral to this problem whereas married women executives consider this as a problem in balancing their responsibilities at family and workplace. Further the study indicates that the perception of both groups differ significantly in case of two problems namely 'Restriction on Movement' and 'Professional Diseases' at 5 percent level of significance. As suggested by mean values of the problem 'Restriction on Movement', married women executives consider it more problematic in comparison to single women executives.

Similar results have been found in the study of Kumar and Sunder (2012), he reveals that fear of transfer and restriction on movement are more problematic in case of married working women executives.

To find out the education wise difference of perception and testing the Hypothesis (H01), t-test has been applied. As depicted in table 4, 'Restriction on Movement' is significant at 1 percent level of significance, and mean value of graduate women executives reflects that they feel more restricted than postgraduate women executives. The perception regarding 'Dual Responsibility' differs significant at 95 percent level of confidence and mean values of this problem reflects that graduate women executives(mean = 1.75) and post graduate women executives(mean = 1.12) both agreed that dual responsibility is a problem in the way of achieving work-life balance, but the second group of respondents have higher degree of agreement. Remaining problems does not provide any evidence of significant difference in opinion of respondents on the basis of education level.

In Table 5 (structure of family), it is viable that the opinion related to social and family problems such as 'Dual Responsibility', 'Lack of time to maintain Social Networking', 'Lack of time for Family', 'Priority to Career Advancement', 'Professional Diseases' and High Expectations of Family Members related to Domestic Duties women executives have shown significant difference of perception at 99 percent level of confidence as structure of family is concerned. Whereas the problems, 'Restriction on Movement' and 'Overburden at Workplace, show significant difference of opinion at 5 percent level of significance. Hence the study concludes that there is a strong association of social and family problems and the type of family structure. The study support the results of the studies conducted by Rastogi and Bansal (2012), Buddhapriya (2009), Kumar and Sunder (2012).

To find the variation in the opinion of the women executives having dependents and not having dependents, t-test has been applied and results have been shown in Table 6. The perception of women executives differ significantly in case of 'Priority to Career Advancement' and 'Professional Diseases' at 1 percent level of significance as there is a extended difference in their mean values. Further 't' values indicate that both the issues are more intense for women executives having dependent in their family than those, who don't have dependents in their family. The problems 'Lack of time for Family' and 'Overburden at Workplace' show difference of opinion at 5 percent level of significance and found more problematic for the women executives having dependents.

To find out the variation in the opinion of the women executives having domestic helper and not having domestic helper, t-test has been applied and results have been shown in Table 7. It reflects significant difference in the perception of women executives, only for the problem 'No help from Family Members' at 5 percent level of significance. It concludes that there is no impact of domestic helper on the social and family life problems faced by women executives. Both the groups of respondents have shown almost similar perception, as the differences of mean values are not significant.

The women executives of different age groups have difference of opinion regarding the issues namely 'Dual Responsibility', 'No help from Family Members', 'Responsibility of Elders' at 1 percent level of significance and 'Restriction on Movement', 'Overburden at Workplace' and 'Professional Diseases' at 5 percent level of significance. Hence it can be concluded that age of the respondents has significant bearing on the problems faced by women executives in their social and family life. One interesting outcome from the table is that almost every issue mentioned in table 8 is perceived as less problematic by women executives who belong to the first age group (below 24 years).

Table 9, presents the acceptance or rejection of null hypothesis and accordingly 'F' values calculated on the basis of annual income of women executives surveyed under this study. Regarding the problem, 'Responsibility of Elders', women executives have shown significant difference of opinion at 5 percent level of significance. Remaining other issues has no significant difference in the opinion of women executives with varied income groups. Mean values from table 9 specify that the problem 'Responsibility of Elders' be considered less challenging by women executives of income group above 6 lakhs than the other two groups.

In Table 10, problems faced by women executives in their social and family lives, namely 'Dual Responsibility', 'Lack of time to maintain Social Networking', 'No help from Family Members', 'Priority to Career Advancement', 'Overburden at Workplace', 'Professional Diseases' and High Expectations of Family Members related to Domestic Duties have significant difference of opinion at 1 percent level of significance on the basis of their length of work experience. The issues 'Restriction on Movement' and 'Responsibility of Elders' are significantly differs at 95 percent level of confidence. Hence, it can be depicted that years of experience has significant bearing on the social and family problems. Mean scores of 'Restriction on Movement' indicate that with the increase in the length of employment, women executives became skilled to face the various problems in the way of their work-life balance. Further mean scores of the problem 'Responsibility of Elders' indicates that all groups of women executive other than having work experience above 10 years as a challenge to work-life balance.

As depicted by table 11, all the problems faced by women executive at their family and social front, there is an absence of significant association with respect to their sector of employment. It reflects that sector of employment has no significant relation with social and family problems.

Table 12, describes that the social and family problems faced by women executives have significant difference of opinion in case of 'Dual Responsibility', 'Responsibility of Elders' and 'Professional Diseases' at 1 percent level of significance on the basis of having or not having children. Mean scores related to the mentioned issues portray that, women executives having children think that all the mentioned problems are more challenging in the way of achieving work-life balance. Further women executives have different opinion regarding 'Restriction on Movement' at 5 percent level of significance on the basis of having children or not having children.

CORRELATION AMONG SOCIAL AND FAMILY PROBLEMS

Women executives have to face various social and family problems and these problems are not independent to each other (Nezhad, Goodarzi and Roushani, 2010). It has been found that there exists relationship among all these listed problems. Table 13 reflects that 'Dual Responsibility' has significant relation with 'Restriction on Movement', 'Lack of time to maintain Social Networking' and ' Professional Diseases' at 1 percent level of significance and 'Priority to Career Advancement' at 5 percent level of significance. It is also clear from table that 'Dual Responsibility' is positively correlated with all the listed problems. It indicates that as dual responsibility rises, all other problems also increase in same direction. According to coefficient of correlation the problem 'Restrictions on Movement' have shown negative correlation with 'Lack of time to maintain Social Networking' (significant), 'Lack of time for Family', 'Responsibility of Elders', 'Priority to Career Advancement' and 'Professional Diseases' (significant).

It is viable from table 13 that 'Lack of time to maintain Social Networking' has significant relation with 'Lack of time for Family', 'Priority to Career Advancement' and 'Professional Diseases' at 1 percent level of significance. From coefficient of correlation, it is evident that the problem 'Lack of time to maintain Social Networking' positively correlated with 'Lack of time for Family' and 'Professional Diseases', whereas it is negatively correlated with 'Priority to Career Advancement' (significant) and 'Responsibility of Elders' (insignificant).

Further Table represents significantly negative relation of

'Lack of time for Family' with 'Priority to Career Advancement' and significantly positive with 'Professional Diseases' at 5 percent level of significance. It is depicted from the study that 'No help from Family Members' has significant relation with 'Priority to Career Advancement' at 5 percent level of significance. Coefficient of correlation tells that the problem 'No help from Family Members' is negatively correlated with problem 'Priority to Career Advancement'.

Coefficient of correlation from the table 13 suggests that 'Responsibility of Elders' is positively and significantly (at 5 percent) related to 'Priority to Career Advancement'. It indicates that women executives, having responsibility of elders are not able to pursue any training programme or course work for their career advancement. On the other side, the same issue has negative but insignificant correlation with 'Restriction on Movement', 'Lack of time to maintain Social Networking', 'Lack of time for Family', 'No help from Family Members' and 'High Expectation of Family Members'.

Table 13 explains the significant relationship of 'Priority to Career Advancement' with 'Overburden at Workplace', 'Professional Diseases' and ' Lack of time to maintain Social Networking' at 1 percent level of significance. It further specify that women executives, who are feeling overburden at their workplace and suffering with professional diseases, are not able to give consideration to their career. Further table indicates that the problem 'Overburden at Workplace' has significant relation with 'Professional Diseases' and High Expectations of Family Members related to Domestic Duties at 1 percent level of significance. The coefficient of correlation also reveals that women executives, feeling overburden at their workplace, think that they are not able to meet the expectations of their family members and as a result they feel themselves under stress, which becomes a cause of professional diseases.

FINDINGS AND SUGGESTIONS

Life is discussed various multi-faceted for every working professional. Every individual is unique and each one is driven by a different need in life. Such a versatile life needs to continuously adjust its sail to emerge with flying colours. The present paper discusses family and social life problems faced by working women and impact of demographic variables on their social and family problems faced by them. Findings of study indicate that out of total 8 family and social problems (SF1, SF2, SF3, SF4, SF7, SF8, SF9, SF10) are more significant for women executives living in nuclear family. Our study support the finding of the study conducted by Kumar and Sunder (December 2012) and Buddhapriya (2009). Further the study finds out that children responsibility also affect the family and social life of women executives and it supports the results of Buddhapriya (2009). The study also highlights that the respondents group related to less years working experience have comparatively higher degree of agreement related to the family and social problems (SF1, SF2, SF3, SF5, SF6, SF7, SF8, SF9, SF10) and further the women's having dependents in their family admits that they face problems because they have to gave more time to family and social commitments in contrast to the women without dependents in their families. One viable finding of the study is that sector of employment does not have any impact on the perception of women executives regarding social and family problems. The value of coefficient of correlation value have shown that 'Dual Responsibility' has positive correlation with all the listed issues related to women executives, whereas the issues 'Restriction on Movement', 'Responsibility of Elders' and 'Priority to Career Advancement' have some negative correlation aspects. It is also clear the study that 'Dual Responsibility' has positive and meaningful association with all the social and family problems covered under study. It indicates that as dual responsibility rises, all other problems also increase in same direction. Further the study also reflects strong association of social and family problems with the type of family structure.

Present study also asked an open-ended question from the respondents. The answer of that question suggests some helping strategies such as flexible timings, work from home, posting at nearest branches and offices, transport facilities, attention to the mental and physical health of the women executives and counseling sessions to reduce their stress level.

CONCLUSIONS

The present study concluded that the respondents of different groups related to sector of employment, domestic helper, income, education and marital status have less difference of perception related to the mentioned problems in the study. Further, the study concludes that the variables namely age of the respondents, length of working experience, family structure, having children and dependents in the family have association with the various family and social problems studied in this paper.

IMPLICATIONS/RESEARCH DIRECTIONS

An awareness of such a study will help HR professionals to understand the social and family problems of women executives and design policies and procedures to facilitate employees to experience a work-life balance. The study may also help to male counterparts, in dual career families, in resolving these problems of women executives.

The present study is limited to service and manufacturing sectors in NCR. Future research can include other aspects related to women executives. Some suggested areas from our side are studying social and family problems faced by women executives in specific sector. Also it can be expanded to problems faced by women executives at workplace.

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Tables

Table 1: Distribution of Respondents on the basis of Demographic factors

Demographic Variables	Categories	No. of Respondents
Marital Status	Single	26(22%)
	Married	94 (78%)
Level of Education	Upto Graduation	58(48%)
	Upto post Graduate	62 (52%)
Structure of Family	Joint family	43 (36%)
	Nuclear	77 (64%)
Dependents in the Family	Yes	26(22%)
	No	94 (78%)
Domestic Helper	Yes	38 (32%)
	No	82 (68%)
Sector of Employment	Service Sector	77 (64%)
	Manufacturing sector	43 (36%)
Children	Yes	31 (26%)
	No	89 (74%)
Age	Below 25 years	15 (13%)
	26-35 years	69 (57%)
	34 – 43 years	36 (30%)
Income	Upto 3 Lakhs	36 (30%)
	3 – 6 Lakhs	45 (38%)
	Above 6 Lakhs	39 (32%)
Work Experience	Less than 1 Year	24 (20%)
	1 to 5 years	47 (39%)
	6 to 10 years	43 (36%)
	Above 10 Years	06 (5%)

Source: Primary Data

Table 2: Overall Mean Values and S.D. of Social and Family Problems Faced by Women Executives

SR. No.	Problems Faced in Social and Family Life	Mean	Rank	Std. Deviation
1.	Dual Responsibility (SF1)	1.42	1	.992
2.	Restriction on Movement (SF2)	2.66	8	1.048
3.	Lack of time to maintain Social Networking (Sf3)	1.98	3	.428
4.	Lack of time for Family (SF4)	2.00	4	.535
5.	No help from Family Members (SF5)	3.36	10	1.083
6.	Responsibility of Elders (SF6)	1.74	2	.853
7.	Priority to Career Advancement SF7)	2.18	5	1.024
8.	Overburden at Workplace (SF8)	2.24	6	.797
9.	Professional Diseases (SF9)	2.70	9	.909
10.	High Expectations of Family Members related to Domestic Duties (SF10)	2.52	7	.677

Compiled from Primary Data

Table 3: Perception of Women Executives Regarding Social and Family Problems According to Marital Status

Problems Faced in Social and Family Life	Single		Married		t–values	Hypothesis
	Mean	S.D.	Mean	S.D.	(Sig.)	H
Dual Responsibility (SF1)	1.55	1.214	1.38	0.935	.407 (.691)	Accepted
Restriction on Movement (SF2)	2.00	0.756	2.79 (0.26)*	1.056	–2.513	Rejected
Lack of time to maintain Social Networking (SF3)	1.82	0.405	2.03	0.428	–1.483 (.157)	Accepted
Lack of time for Family (SF4)	2.00	0.632	2.00	0.513	.000 (1.00)	Accepted
No help from Family Members (SF5)	2.82	0.982	3.51	1.073	–2.030 (.058)	Accepted
Responsibility of Elders (SF6)	2.55	1.036	1.51	0.644	3.41 (.008)**	Rejected
Priority to Career Advancement (SF7)	2.36	1.027	2.13	1.031	.671 (.521)	Accepted
Overburden at Workplace (SF8)	2.45	0.934	2.18	0.756	.897 (.385)	Accepted
Professional Diseases (SF9)	3.18	0.751	2.56	0.912	2.293 (0.33)*	Rejected
High Expectations of Family Members related to Domestic Duties (SF10)	2.36	0.505	2.56	0.718	–1.051 (.304)	Accepted

Note: ** Significant at 1 percent level of Significance   * Significant at 5 percent level of Significance

Table 4: Perception of Women Executives regarding Social and Family Problems according to level of Education

Problems Faced in Social and Family Life	Graduate		Post Graduate		t–values	Hypothesis
	Mean	S.D.	Mean	S.D.	(Sig.)	H
Dual Responsibility (SF1)	1.75	1.225	1.12	0.588	.2.305 (0.28)*	Rejected
Restriction on Movement (SF2)	2.09	1.019	3.16	0.800	–3.962 (0.000)**	Rejected
Lack of time to maintain Social Networking (SF3)	2.08	0.504	1.88	0.326	1.642 (.109)	Accepted
Lack of time for Family (SF4)	2.08	0.504	1.92	0.560	1.065 (.292)	Accepted
No help from Family Members (SF5)	3.21	0.977	3.50	1.175	–8.57 (.343)	Accepted
Responsibility of Elders (SF6)	1.83	0.868	1.65	0.846	.739 (.463)	Accepted
Priority to Career Advancement (SF7)	2.33	1.129	2.04	0.916	1.009 (.381)	Accepted
Overburden at Workplace (SF8)	2.17	0.816	2.31	0.788	–.620 (.538)	Accepted
Professional Diseases (SF9)	2.75	0.944	2.65	0.892	.369 (.713)	Accepted
High Expectations of Family Members related to Domestic Duties (SF10)	2.38	0.576	2.65	0.745	–1.487 (.144)	Accepted

Note: ** Significant at 1 percent level of Significance   * Significant at 5 percent level of Significance

Table 5: Perception of Women Executives regarding Social and Family Problems according to Structure of Family

Problems Faced in Social and Family Life	Nuclear		Joint		t–values	Hypothesis
	Mean	S.D.	Mean	S.D.	(Sig.)	H
Dual Responsibility (SF1)	1.66	1.181	1.00	0.992	.3.144 (.004)**	Rejected
Restriction on Movement (SF2)	2.38	1.083	3.11	1.048	–2.605 (.013)*	Rejected
Lack of time to maintain Social Networking (SF3)	2.13	0.336	1.72	0.428	3.253 (.003)**	Rejected
Lack of time for Family (SF4)	2.22	0.420	1.61	0.535	4.352 (.000)**	Rejected
No help from Family Members (SF5)	3.59	0.911	2.94	1.083	1.923 (.065)	Accepted
Responsibility of Elders (SF6)	1.66	0.902	1.89	0.853	–.971 (.337)	Accepted
Priority to Career Advancement (SF7)	1.91	0.995	2.67	1.024	–2.745 (.009)**	Rejected
Overburden at Workplace (SF8)	2.44	0.669	1.89	0.797	2.258 (.032)*	Rejected
Professional Diseases (SF9)	3.00	0.880	2.17	0.909	3.655 (.001)**	Rejected
High Expectations of Family Members related to Domestic Duties (SF10)	2.75	0.718	2.11	0.677	4.313 (.000)**	Rejected

Note: ** Significant at 1 percent level of Significance   * Significant at 5 percent level of Significance

Table 6: Perception of Women Executives regarding Social and Family Problems according to Existence of Dependents

Problems Faced in Social and Family Life	Yes		No		t–values	Hypothesis
	Mean	S.D.	Mean	S.D.	(Sig.)	H
Dual Responsibility (SF1)	1.27	0.467	1.46	1.097	–..839 (.407)	Accepted
Restriction on Movement (SF2)	2.27	0.905	2.78	1.072	–1.549 (.138)	Accepted
Lack of time to maintain Social Networking (SF3)	2.00	0.000	1.97	0.486	0.33 (.744)	Accepted
Lack of time for Family (SF4)	1.90	0.674	2.36	0.447	–2.163 (.050)*	Rejected
No help from Family Members (SF5)	2.91	0.944	3.49	1.097	–1.728 (.101)	Accepted
Responsibility of Elders (SF6)	2.00	0.632	1.67	0.898	1.395 (.176)	Accepted
Priority to Career Advancement (SF7)	1.92	0.944	3.09	0.900	–3.661 (.002)**	Rejected
Overburden at Workplace (SF8)	2.00	0.000	2.31	0.893	–2.152 (.038)*	Rejected
Professional Diseases (SF9)	2.18	0.405	2.85	0.961	–3.384 (.002)**	Rejected
High Expectations of Family Members related to Domestic Duties (SF10)	2.36	0.809	2.56	0.641	–.758 (.462)	Accepted

Note: ** Significant at 1 percent level of Significance   * Significant at 5 percent level of Significance

Table 7: Perception of Women Executives regarding Social and Family Problems according to Domestic Helper

Problems Faced in Social and Family Life	Yes		No		t–values	Hypothesis
	Mean	S.D.	Mean	S.D.	(Sig.)	H[illegible]
Dual Responsibility (SF1)	1.00	0.000	1.56	1.160	–.758 (.462)	Accepted
Restriction on Movement (SF2)	2.93	0.829	2.52	1.151	1.361 (.182)	Accepted
Lack of time to maintain Social Networking (SF3)	1.86	0.363	2.03	0.460	–1.378 (.178)	Accepted
Lack of time for Family (SF4)	1.86	0.363	2.00	0.550	–1.055 (.298)	Accepted
No help from Family Members (SF5)	2.71	0.994	3.59	1.048	–2.724 (.011)*	Rejected
Responsibility of Elders (SF6)	2.00	0.877	1.62	0.853	1.384 (.179)	Accepted
Priority to Career Advancement (SF7)	2.36	0.497	2.12	1.200	.978 (.333)	Accepted
Overburden at Workplace (SF8)	2.14	1.099	2.29	0.676	–.479 (.683)	Accepted
Professional Diseases (SF9)	2.64	0.497	2.76	1.046	–.546 (.588)	Accepted
High Expectations of Family Members related to Domestic Duties (SF10)	2.57	0.852	2.53	0.615	.168 (.869)	Accepted

Note: ** Significant at 1 percent level of Significance * Significant at 5 percent level of Significance

Table 8: Perception of Women Executives regarding Social and Family Problems according to their Age

Problems Faced in Social and Family Life	Below 25 years		25-35 years		Above 35 years		F–values	Hypothesis
	Mean	S.D.	Mean	S.D.	Mean	S.D.	(Sig.)	H[illegible]
Dual Responsibility (SF1)	4.00	0.012	1.45	1.003	1.00	0.992	11.682 (.000)**	Rejected
Restriction on Movement (SF2)	1.00	0.009	2.63	1.098	2.93	1.048	3.334 (.45)*	Rejected
Lack of time to maintain Social Networking (SF3)	2.00	0.020	1.97	0.529	2.00	0.428	.027 (.088)	Accepted
Lack of time for Family (SF4)	2.00	0.011	2.00	0.559	2.00	0.535	.000 (1.00)	Accepted
No help from Family Members (SF5)	4.00	0.031	3.64	1.113	3.36	1.083	5.279 (.009)**	Rejected
Responsibility of Elders (SF6)	4.00	0.021	1.58	0.751	1.74	0.853	10.721 (.000)**	Rejected
Priority to Career Advancement (SF7)	2.00	0.015	2.09	1.156	2.18	1.024	.492 (.615)	Accepted
Overburden at Workplace (SF8)	2.00	0.018	2.45	0.869	2.24	0.797	4.012 (.025)*	Rejected
Professional Diseases (SF9)	4.00	0.021	2.76	1.001	2.70	0.909	3.189 (.050)*	Rejected
High Expectations of Family Members related to Domestic Duties (Sf10)	2.00	0.013	2.67	0.645	2.52	0.677	2.566 (.088)	Accepted

Note: ** Significant at 1 percent level of Significance * Significant at 5 percent level of Significance

Table 9: Perception of Women Executives regarding Social and Family Problems according to their Annual Income

Problems Faced in Social and Family Life	Upto 3 lakhs		3-6 Lakhs		Above 6 Lakhs		F–values	Hypothesis
	Mean	S.D.	Mean	S.D.	Mean	S.D.	(Sig.)	H_{07}
Dual Responsibility (SF1)	1.71	1.189	1.17	0.707	1.27	0.905	1.679 (.198)	Accepted
Restriction on Movement (SF2)	2.30	1.129	2.94	0.966	2.90	0.876	2.156 (.128)	Accepted
Lack of time to maintain Social Networking (SF3)	1.95	0.590	2.00	0.343	2.00	0.000	0.073 (.93)	Accepted
Lack of time for Family (SF4)	2.00	0.632	2.11	0.471	1.82	0.405	1.026 (.366)	Accepted
No help from Family Members (SF5)	3.48	1.123	3.33	1.188	3.18	0.874	.267 (.767)	Accepted
Responsibility of Elders (SF6)	1.67	0.856	1.50	0.786	2.27	0.786	3.202 (.050)*	Rejected
Priority to Career Advancement (SF7)	2.38	1.203	1.94	1.056	2.18	0.405	.876 (.423)	Accepted
Overburden at Workplace (SF8)	2.14	0.910	2.44	0.784	2.09	0.539	.938 (.398)	Accepted
Professional Diseases (SF9)	2.67	1.111	2.78	0.808	2.64	0.674	.103 (.902)	Accepted
High Expectations of Family Members related to Domestic Duties (SF10)	2.43	0.598	2.72	0.669	2.36	0.809	1.303 (.281)	Accepted

Note: ** Significant at 1 percent level of Significance * Significant at 5 percent level of Significance

Table 10: Perception of Women Executives regarding Social and Family Problems according to their Length of Work Experience

Problems Faced in Social and Family Life	Less than 1 year		1-5 years		6-10 years		6-10 years		F–values	Hypothesis
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	(Sig.)	H[illegible]
Dual Responsibility (SF1)	2.80	1.549	1.16	0.375	1.00	0.000	1.00	0.001	15.287 (.000)**	Rejected
Restriction on Movement (SF2)	1.80	1.033	2.84	1.119	2.93	0.799	3.00	0.003	3.314 (.029)*	Rejected
Lack of time to maintain Social Networking (SF3)	2.40	0.516	1.74	0.452	2.00	0.000	2.00	0.011	7.298 (.000)**	Rejected
Lack of time for Family (SF4)	2.00	0.000	2.00	0.745	2.00	0.485	2.00	0.007	0.000 (1.00)	Accepted
No help from Family Members (SF5)	4.00	0.000	3.53	1.429	2.72	0.669	4.00	0.003	4.554 (.007)**	Rejected
Responsibility of Elders (SF6)	1.60	1.265	1.53	0.697	1.83	0.618	3.00	0.009	3.096 (.036)*	Rejected
Priority to Career Advancement (SF7)	1.20	0.422	2.42	1.261	2.33	0.686	3.00	0.003	5.273 (.003)**	Rejected
Overburden at Workplace (SF8)	2.80	0.422	2.26	0.991	1.78	0.428	3.00	0.004	5.973 (.002)**	Rejected
Professional Diseases (SF9)	4.00	0.000	2.16	0.834	2.50	0.514	3.00	0.002	21.140 (.000)**	Rejected
High Expectations of Family Members related to Domestic Duties (SF10)	2.80	0.422	2.42	0.507	2.22	0.647	4.00	0.022	10.501 (.000)**	Rejected

Note: ** Significant at 1 percent level of Significance * Significant at 5 percent level of Significance

Table 11: Perception of Women Executives regarding Social and Family Problems according to Sector of Employment

Problems Faced in Social and Family Life	Service		Manufacturing		t–values	Hypothesis
	Mean	S.D.	Mean	S.D.	(Sig.)	$H_{\text{[illegible]}}$
Dual Responsibility (SF1)	1.44	1.014	1.39	0.979	0.166 (.869)	Accepted
Restriction on Movement (SF2)	2.70	1.088	2.59	1.004	.356 (.724)	Accepted
Lack of time to maintain Social Networking (SF3)	2.03	0.474	1.89	0.323	1.257 (.215)	Accepted
Lack of time for Family (SF4)	2.03	0.474	1.94	0.639	.504 (.619)	Accepted
No help from Family Members (SF5)	3.41	1.043	3.28	1.179	.385 (.703)	Accepted
Responsibility of Elders (SF6)	1.56	0.716	2.06	0.998	–1.846 (.076)	Accepted
Priority to Career Advancement (SF7)	2.00	1.047	2.50	0.924	–1.75 (.088)	Accepted
Overburden at Workplace (SF8)	2.25	0.842	2.22	0.732	.122 (.904)	Accepted
Professional Diseases (SF9)	2.75	0.950	2.61	0.850	.531 (.598)	Accepted
High Expectations of Family Members related to Domestic Duties (SF10)	2.47	0.567	2.61	0.850	–0.636 (.531)	Accepted

Note: * * Significant at 1 percent level of Significance   * Significant at 5 percent level of Significance

Table 12: Perception of Women Executives regarding Social and Family Problems according to having Children or not having Children

Problems Faced in Social and Family Life	No		Yes		t–values	Hypothesis
	Mean	S.D.	Mean	S.D.	(Sig.)	H_{no}
Dual Responsibility (SF1)	1.57	1.119	1.00	0.000	3.085 (.004)**	Rejected
Restriction on Movement (SF2)	3.08	0.260	2.50	1.108	–2.034 (.050)*	Rejected
Lack of time to maintain Social Networking (SF3)	1.97	0.499	2.00	0.000	–.329 (.744)	Accepted
Lack of time for Family (SF4)	2.00	0.527	2.00	0.577	0.000 (1.00)	Accepted
No help from Family Members (SF5)	3.41	0.956	3.23	1.423	.411 (.687)	Accepted
Responsibility of Elders (SF6)	1.89	0.906	1.31	0.480	2.923 (.006)**	Rejected
Priority to Career Advancement (SF7)	2.30	1.102	1.85	0.689	1.714 (.096)	Accepted
Overburden at Workplace (SF8)	2.30	0.812	2.08	0.760	.884 (.386)	Accepted
Professional Diseases (SF9)	2.89	0.966	2.15	0.376	3.887 (.000)**	Rejected
High Expectations of Family Members related to Domestic Duties (SF10)	2.49	0.651	2.62	0.768	–.541 (.595)	Accepted

Note: * * Significant at 1 percent level of Significance   * Significant at 5 percent level of Significance

Table 13: Correlation between various Social and Family Problems faced by Women Executives (H_{011})

Problems Faced in Social and Family Life	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10
Dual Responsibility (S1)	1									
Restriction on Movement (S2)	.588** .000	1								
Lack of time to maintain Social Networking (S3)	.597** .000	–.532* .000	1							
Lack of time for Family (S4)	.116 .424	–.188 .206	.446** .001	1						
No help from Family Members (S5)	.255 .074	.319* .029	.104 .473	–.106 .465	1					
Responsibility of Elders (S6)	.132 .362	–.152 .308	–.182 .205	–.134 .352	–.206 .151	1				
Priority to Career Advancement (S7)	.317* .025	–.018 .902	–.550** .000	–.298* .035	–2.99* .035	.405* .03	1			
Overburden at Workplace (S8)	.180** .212	.011 .941	.194 .177	.048 .741	.087 .548	.124 .392	–.379** .007	1		
Professional Diseases (S9)	.482** .000	–.357* .014	.509** .000	.294* .038	.033 .819	.082 .573	–.555** .000	.580** .000	1	
High Expectations of Family Members related to Domestic Duties (S10)	.033** .821	.086 .564	.177 .218	.255 .115	.129 .372	–.114 .429	–.197 .171	.671** .000	.457** .001	1

Note: * * Significant at 1 percent level of Significance   * Significant at 5 percent level of Significance

MANAGEMENT ACCOUNTING AND FINANCIAL CONTROL

Author:
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Progression generally witnesses three basic veracities, viz., its imperativeness over time, possibility across all industries and its perilous nature. New challenges are encountered by companies on a daily basis, but at the same time new opportunities are cropping up as well. Moreover, the intensifying competition has led to an undeniable need to step up strategies and methods to be a leader in the league. The consequential growth reinforces companies' drive to deliver to shareholders, builds advantages of scale and scope, attracts talent and delivers funds for reinvestment. However, for growth to be present and business to be successful, effective financial planning and control are the principal foundations. In consequence, the prerequisite to keep oneself abreast of the various techniques of financial planning and control besides a sound knowledge of the concepts of management accounting for the purpose of effective decision making have become imperious.

In cognizance with the above said significance, the author has made available the sixteenth edition of the book titled **"Management Accounting and Financial Control"** for the benefit of avid readers, academicians, students and practitioners. The book under review has been systematically divided into seven sections, each having a distinct focus. These sections, with their respective sub-divisions make it expedient for the readers to be able to grasp the various concepts and analyse their comprehension with the help of the test questions given at the end of each chapter.

Section A – ***Fundamentals*** has been divided into four chapters each of which caters to the elucidation of nature and scope of management accounting, accounting principles and standards, rudimentary cost concepts and activity based costing respectively.

The global business milieu is portrayed by intense competition from domestic as well as multinational players, emphasizing the need for articulation of right strategy to establish competitive advantage. The world is now becoming a global business hub leading to increased competition, advancement of technology and pressure to get information almost on real time basis, thus, widening the role of management accounting. Although, management accounting continues to focus on value creation through effective use of resources, the management accountant, as a strategist, is critically involved in deciding and negotiating appropriate strategic moves and also helping managers determine their most important customers, competitors, substitute products in the market, core competence, adequacy of resources to support a strategy and the like. Realizing the importance of the subject, the author, in the first chapter, has acquainted the readers with the nature, scope, utility, and limitations of management accounting, in addition to the difference between cost, financial and management accounting.

Notions of internationalization have now been superseded by that of globalisation. However, there have been resistances and their impact on accounting is evident. The financial statements are rendered incomprehensible because of the different accounting practices being followed by different companies in various countries. In India, Indian Accounting Standards (Ind-AS) converged with corresponding International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) have been formulated by The Institute of Chartered Accountants of India and notified by Ministry of Corporate Affairs. The second chapter provides the roadmap for application of the converged accounting standards in India.

While it may sound trivial, knowing how much it costs to make a product is extremely important for all business houses. This makes it even more important to be aware of the various components of cost along with their classification. The knowledge of methods, techniques and systems of costing is also essential. In addition, the business manager should be able to control and reduce the costs to be able to gain competitive advantage. The next chapter familiarizes the readers with the basic concepts of cost to facilitate reliable reporting of actual costs, accurate estimation of projected costs and the appropriate integration of such costs in managerial decisions.

However, a number of companies consider the use of traditional cost accounting as incomplete and unprocessed, with the opinion that the raw data reported does not reflect a clear view of the relationship between the cost and the cost object. Traditional cost accounting assigns costs to products and services based on direct materials direct labour and overheads. In today's business environment, where labor inputs have been dramatically reduced, traditional cost accounting does not adequately reflect the true cost of a product or service. Managers find themselves compounding their problems because of faulty information provided by their simplistic cost systems. Activity based costing was developed as a practical solution to these problems, as it makes cost accounting comprehensible and rational. The objective of Activity Based Costing is to create a system that effectively captures, allocates, and distributes costs by area of responsibility, allowing building an environment where people are encouraged to take up the challenge of responsibility accounting, improving the profitability of the firm. This is achieved through goal-setting of expected improvements in cost reductions that are realistic and obtainable. Thus Activity Based Costing goes hand-in-hand with all of the modern management paradigms. The fourth chapter delves upon the importance of Activity Based Costing in addition to the steps involved and the associated problems.

Proper analysis and interpretation of information is crucial to evaluate a company's economic prospects and risks, which can be done with the application of analytical tools and techniques to general-purpose financial statements and related data to derive estimates and inferences useful in business analysis. Financial statement analysis reduces reliance on hunches, guesses, and intuition for business decisions. Section B – ***Financial Analysis*** elucidates upon the various tools of financial analysis aimed at formulating a diagnosis and a prognosis relative to the situation and the financial performance of the company. With the help of these techniques of financial analysis, an analyst will better understand and interpret both qualitative and quantitative financial information so that reliable inferences can be drawn and financially sustainable actions can be taken.

The section has been divided into four chapters, of which the first, *Financial Statements: Analysis and Interpretation*, gives a theoretical framework deliberating upon the types of financial analysis including steps involved in the analysis. The techniques of financial analysis in addition to the limitations have also been discussed. The second chapter describes a tool to present accounting variables in a simple, concise, intelligible and understandable form, *Ratio Analysis*. The use of accounting ratios is a time-tested method of analyzing a business and bringing out the inter-relationship which exists between various segments of business. Ratios are more of a diagnostic tool that helps to identify problem areas and opportunities within a company. The next two chapters delve upon the other two most commonly used techniques of financial analysis, *Funds Flow Analysis and Cash Flow Analysis*. Numerous illustrations have been used by the author to help readers better comprehend these techniques and their practical implications.

Planning involves envisioning the results the organization wants to achieve, and determining the steps necessary to arrive at the intended destination--success, whether that is measured in financial terms, or goals that include being the highest-rated organization in customer satisfaction, while control guides the management in achieving pre-determined goals and ensures the efficiency of various functions. The third section, Section C - ***Planning and Control*** has been meticulously divided into nine chapters, each of which delves upon a different planning and control modus operandi, viz. budgetary control, standard costing, variance analysis, marginal costing, pricing, capital budgeting and management reporting.

Control is crucial for ensuring the effective realization of the plans as it puts into effect corrective measures where deviation is identified. Budget provides a realistic financial plan and budgetary control facilitate the achievement of the same, both at management and the operational level. The first chapter *"Budgetary Control"* emphasizes the need for installing a budgetary control system in the organization. Also, the classification of budgets has been explained systematically along with elucidation of concepts like sensitivity analysis, control ratios, responsibility accounting and zero based budgeting. The explanation in the chapter is comprehensive and facilitates understanding in a very clear and logical manner.

However, a budget is usually considered to be just an estimate which does not facilitate an apposite analysis thus, leading to impractical decision-making. Institution of standards and benchmarks is critical for controlling to be effective. Variances are not culminations in themselves but springboards for further analysis and action. This exploration of inconsistencies, known as variance analysis, helps management to improve operations, correct errors and deploy resources more effectually to reduce costs. For the ease of readers, the author has deliberated upon standard costing and variance analysis in two separate chapters along with copious practical illustrations.

The competition is increased manifold with e-retail gaining prominence, thus, providing exposure and awareness to customers in addition to easy availability of larger variety of merchandise. This has further led to demand for high quality products at lower prices, consequently dwindling profits. Therefore, marginal costing technique and its use in effective manner have become indispensable. With the help of marginal costing technique, break-even point, point of margin of safety, effect of change in prices on net profit, effect of change in selling price on profits can be analyzed which will facilitate business managers in taking important decisions regarding how much to produce, what to produce, how to produce, when to produce, at what cost to produce, how to maximize the profits and minimize the costs.

The author has provided great attention to detail by isolating the basics from the practical applications, by dividing it into two chapters. The first of which, *Marginal Costing and Profit Planning*, differentiates marginal costing from absorption, direct and differential costing. It explains the essentials of cost volume profit analysis, break even analysis, margin of safety, product pricing methods and their related concepts. The second chapter, Decisions Involving Alternative Choices, discusses about the practical applications of marginal costing and elucidates the same using plentiful illustrations of various decisions viz. determination of sales mix, exploring new markets, make or buy, discontinuance of a product line. The systematic presentation and self-explanatory solution of the examples with proper working notes help the readers to effortlessly comprehend the implications of the concept of key factor and differential costs in various decisions involving alternative choices.

Capital budgeting in addition to risk analysis in capital budgeting have been discussed at length in two separate chapters, thus, making it expedient for the readers to grasp the various theories, appraisal methods and their applications incorporating risk factor. Net terminal value method has been explained along with the different appraisal methods. Also, the capital budgeting practices in India as brought out by various research studies have been pondered upon.

The last chapter of this section, *Management Reporting*, elucidates upon the various modes of reporting, requisites of a good report and the various kinds of reports. The author has also provided the readers with specimen forms of management reports which have been detailed upon with the help of some cases.

It is imperative for the companies to manage funds effectively for the success of their business operations. The next section, Section D – ***Funds Management*** has been divided into thirteen chapters which cover all aspects of finance starting from planning, acquisition, management and disbursement to portfolio management and international financial management. the author has explained the various sources of finance wherein in addition to the traditional classification, financial institutions and instruments, contemporary concepts like financial engineering, re-engineering and financial intermediation have been elaborated upon. The different levels of debt and equity along with the factors determining capital structure and capital structure practices in India have been discussed in the third chapter, *Capital Structure*. Separate chapters have been allocated to cost of capital, leverages, dividends, lease financing and working capital, wherein solved illustrations help the readers cognize the concepts and practical problems help to assess their knowledge. Also, the concepts of financial distress, financial insolvency and Stone Model have been detailed

A separate Section-E tilted ***"Miscellaneous"*** has been incorporated which includes topics like inventory valuation, fixed assets and depreciation accounting, accounting concept of income, computer and data processing, business risks and insurance coverage, tax implications and financial planning allocating separate chapters to each of them. Diversified areas relating to finance have been stressed upon. Also, the relevant amendments in the legal and regulatory framework have been integrated to provide up-to-date information to the readers. The recent developments in the Insurance sector have been appended for ready reference of the readers. Contemporary topics such as inflation and financial management, corporate restructuring, human resource accounting, social cost benefit analysis have also been dealt with in detail for easy comprehension.

Section F – ***Advanced Solved Problems*** encompasses revisionary problems on important topics along with their solutions which provide complete guidance to the students in preparation of their examinations. Solved illustrations along with the working notes make the book self-explanatory to the readers. Section G – ***Advanced Unsolved Problems*** and Appendices provide the readers with plentiful questions to have a hands-on know-how and to assess their comprehension of the concepts. The appendices provide the present value and compounded value tables along with a detailed explanation of Accounting Standard 20 dealing with Earnings Per Share.

The book under review is an excellent reference resource for students preparing for post graduate examinations like M. Com and MBA conducted by various universities and examinations conducted by professional bodies like Institute of Chartered Accountants of India, Institute of Company Secretaries of India and Institute of Cost Accountants of India, besides academicians, professionals and practitioners. This new edition has been extensively updated through-out. The concepts are clearly explicated in a lucid manner, incorporating all pertinent topics, both theoretical and practical, that are applicable in the industry. The author has illustrated the concepts remarkably by applying them to realistic situations. Adequate illustrations and well worked-out examples while remaining coherent and judicious in terms of its structure make it a must-have.

The "Chapter Objectives" at the beginning of each chapter provide the students with the learning objectives which should be clearly understood by the end of the chapter. A concise glossary "Key Terms" has been provided for the purpose of recapitulation, "Test Questions" comprising of objective type questions, essay type questions and practice exercises under the heading "Practical Problems" enable the readers to assess and evaluate their knowledge. The book draws its strength from its simplified and direct approach, which makes the text easy to read and comprehend, without sacrificing any of its scope or substance. It is an indispensable asset for all interested in getting acquainted with and having sound knowledge of the different aspects of management accounting, financial planning and analysis in addition to funds management.

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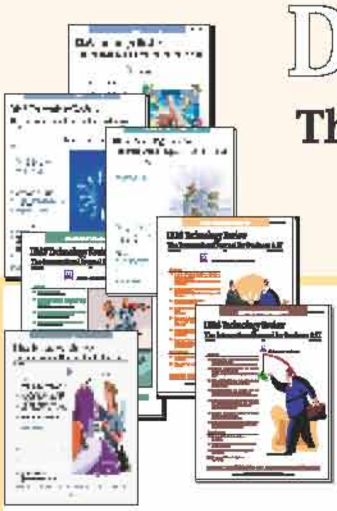

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