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(A Double Blind, Peer Reviewed Bi- Annual Journal)

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Editors

Dr. Vidya Suresh

Dr. S Goswami



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EDITORIAL

This volume is a compilation of seven research articles and one case study and a perspective paper focusing more on Human Resource, Marketing and Economics.

Varadaraj and Charumathi talk about consumer based brand equity with reference to automobile industry. In the area of HR, we have Karthikeyan and Dheepa, whose study is based on quality of life of migrants of textile workers whereas Jothi Francina and Ragini study on health and safety measures among employees, both with reference to Erode district. Muthukumar, Shanmuganathan and David talk about turnover with reference to bank managers. Three articles focus on macroeconomic issues in India. FDI in service sector is studied by Jeeva Rekha and Sureka. Priya and Maithili discuss on impact of Make in India on FDI. Impact of GST on rural Himachal Pradesh is discussed by Rohit Kanda, Harish Handa, Vinay Kumar and Bhalla.

A case study on journey of a retail coffee outlet chain and its expansionist strategy is analysed by Goswami. Balachandran argues on adequacy of conventional ServQual model to measure customer perceptions of service quality in the Indian service context. The author also has invited open discussion and reviews from the readers.

We thank the authors for their contribution and look forward to your feedback on this issue.

We wish you a happy scholarly reading.

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A Study on Dimensions of Consumer Based Brand Equity with Reference to Automobile Industry

A. Varadaraj and D. Charumathi

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Abstract

In today's competitive business world brand has become a valuable assets to companies and it has become inevitable to learn and understand how to build a brand, measure and manage brand equity. The study focuses on the dimensions of consumer-based equity with special reference to automobile industry.

Keywords: *Brand Equity, Perceived Quality, Brand Association, Brand Awareness*

1. Introduction

The concept of branding is centuries old. In olden days Egypt brick-makers would "brand" their bricks to make a identification of their bricks. In order to guarantee quality to consumers traders started to trademark their products. The concept of Brands came into emergence in the early sixteenth century. During nineteenth century to enhance the perceived value of products brands were used. In twentieth century it was more reframed with new purposes and strategies. In twenty-first century consumers started trusting the brands and were willing to pay a premium for branded product. Consumers actually develop feelings and associations with brands and then become loyal to them due to their "added value," (i.e., their brand equity) (Barwise, 1993).

A brand has also been defined as "a product offer from a known source" (Kotler, 2000). Keller (2003) defines a brand as a product that adds other dimensions that differentiate it from other products and services designed to satisfy the same need. "Brand Equity is defined in terms of unique attributes that effects in marketing strategy. Brand equity plays a major role in both business practice and academic research since it gives competitive advantage for the marketers. Strong brand equity leads to opportunities for successful brand extensions, resilience against competitor's promotional efforts, and creation of barriers to competitive entry (Farquhar, 1989).

2. Definition of Brand Equity

"Brand Equity is a set of brand asset and liability linked to a brand, its name and symbol add to or subtract from the value provided by a product or service to a firm and/ or to the firm's customers" (Aaker 1991)

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“Brand Equity is defined in terms of marketing effects uniquely attributable to the brands for example when certain outcomes result from marketing of a product or service because of its brand name that would not occur if the same product or service did not have the same”(Keller1993)

Definitions of Brand Equity

Researcher	Definition
Farquhar(1989)	Added value endowed by the brand to the product
Aaker (1991)	Set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers.
Keller (1993)	The differential effect of brand knowledge on consumer response to the marketing of the brand.
Simon and Sullivan(1993)	Cash flow differences between a scenario where the brand name is added to a company product and another scenario where the same product does not have brand name.
Rangaswamy et al.,(1993)	Favorable impressions, attitudinal dispositions, and behavioral predilections.
Lassar, Mittal and Sharma (1995)	The enhancement in the perceived utility and desirability a brand name confers on a product.
Park and Srinivasan(1994)	The difference between overall brand preference and multi attributed preference based on objectively measured attribute levels.
Yoo et al., (2000)	The difference in consumer choice between a branded and unbranded product, given the same level of features.
Vázquez et al., (2002)	The utility that the consumer associates to the use and consumption of the brand.
Ailawadi et al., (2003)	Outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name”.
Baldauf et al., (2003)	Reflection of the premium price the firm charges for a strong brand combined with the sales it is able to attract compared to other average brands in the same product category.
Clow and Baack (2005)	Set of characteristics that make a brand unique in the marketplace.
Kotler and Keller (2006)	A bridge between the marketing investments in the company’s products to create the brands and the customers’ brand knowledge.
Yasin et al., (2007)	Consumers’ favoritism towards the focal brand in terms of their preference, purchase intention and choice among brands in a product category, that offers The same level of product benefits as perceived by the consumers.

Many different definitions and ways to measure brand equity have been proposed, and most of them are based upon Farquhar’s (1989) definition: “the added value with which a given brand endows a product”.Aaker (1991, 1996) defines it as a group of brand assets and liabilities that either add or subtract value to a brand. Srivastava and Shocker (1991) define it as the incremental value a brand name gives a product. Holbrook (1992) and Simon and Sullivan (1993) define it in terms of the financial impact of a brand. Keller (1993, 2003) perceives it as the differential effect that brand knowledge has on consumer response to the marketing of a brand.

Park and Srinivasan (1994) define it as the incremental Consumer preference for a brand. Kapferer (1997) further defines brand equity by stating “the brand has an economic function, the value of a brand (brand equity) derives from its capacity to generate an exclusive, positive, and prominent meaning in the minds of a large number of consumers”. Berry (2000) conceptualizes it as the differential effect of brand awareness and meaning combined with customer response to the marketing of the brand. Yoo (2000) define it as the difference in consumer choice between a branded and an unbranded product given the same level of product features. Clow and Baack (2005) define it as a set of characteristics that make a brand unique in the marketplace, allows the company to charge a higher price and retain a greater market share than would be possible with an unbranded product. For a more thorough discussion on the definition of brand equity, see Wood (2000). Although there is no universally accepted definition of brand equity, most authors agree that brand equity denotes the added value endowed by the brand to the product.

3. Objectives of the Study

- To identify the predictors for brand equity
- To identify the impact of various dimensions that influence brand equity.

4. Review of Literature

Krishnan and Hartline (2001) examined the brand equity of service brands in search-dominant, credence-dominant, and experience-dominant categories (Movie Theater, hair salon, & pest control) as well as a goods category (televisions). The primary objective of the research was to determine if brand equity was more important in the service context in comparison to traditional goods brands. Also, the differential importance of brand equity was assessed for the three categories of services (search, experience, credence). Brand equity was assessed with both indirect and direct measures. The willingness to pay a price premium was utilized as a direct measure of brand equity while items measuring the quality, familiarity, trustworthiness, and value of the brands were used as indirect measures. A summed brand equity score was computed based on the responses to the direct and indirect measures of the brands in each product category. Traditional goods brand equity and search-dominated services were found to have significantly higher scores on brand equity as well as importance. Therefore, the relative importance of brand equity in the service context was not found to be more important in comparison to the goods context.

Kim, et al., (2003) investigated the level of brand equity among hotels in Korea. They utilized Aaker's (1991) four dimensions (perceived quality, brand awareness, brand image, brand loyalty) of brand equity to measure the overall perception of the brand from the consumer's perspective. Also, financial performance measures such as return on sales and return on equity were included to provide an objective measure of brand equity. The relationship between the firm's financial performance and customer-based brand equity was assessed to determine the predictive validity of the customer-based brand equity measure. The four dimensions (perceived quality, brand loyalty, brand awareness, brand image) were shown to

be a valid representation of brand equity as well as had a positive impact on firm performance. The significant relationship between customer-based brand equity and firm performance was a novel finding in that few studies have investigated the relationship between direct and indirect measures of brand equity. This represents a significant step forward in brand equity research. Few studies have been able to equate strong consumer-based brand equity and financial performance. Although this approach would not work in the context of sport services due to the lack of a valid financial measure of brand equity, it is an innovative method to determine the equity of a given brand.

Supapat Dilokchaichanwuth (2004) conducted a study “Comparison of Brand Equity of Global and Local Brand”. She studied: first, the brand equity of global and local brands of high (mobile phone) and low (toothpaste) involvement products, second, the consumer’s purchase intention of global and local brands, and third, a correlation of brand equity and consumer’s purchase intention. Questionnaires were collected from 400 working people aged between 20-45 years old in Bangkok. The results showed that global brands (Nokia and Colgate) had higher equity scores than local brands (I-Mobile and Twin Lotus) in both high (mobile phone) and low (toothpaste) involvement products. Moreover it was found that brand equity had a positive correlation with consumer’s purchase intention. Christodoulides et al., (2006) study measured brand equity in an online context and looked into the unique characteristics of internet that render consumers as co-creators of brand value. By conducting interviews with experts in the field, they identified five dimensions of e-tail brand equity (emotional connection, online experience, responsive service nature, trust and fulfillment) that make up their Online Retail/Service (ORS) 12-item brand equity scale. Both studies used consumer surveys with items to measure brand equity’s different dimensions.

Khemmika Chaokasem (2007) conducted a study “Brand Equity Measurement in Whitening Cosmetic Products in Chiang Mai Province”. The author examined the dimensions measuring the brand equity and the trend of consumer behavior in choosing brand for whitening cosmetic products as well as the important of value and behavior for evaluating the brand equity for whitening cosmetic products. The samples were 400 females in Chiang Mai Province, age between 15–34 years old who have been using whitening cosmetic product in 4 brands: Pond’s, Olay, Nivea and L’Oreal. For the perception towards the dimensions of brand equity, the results showed that the respondents expressed positive opinion to those dimensions which can be ranged from highest mean score to lowest mean score as follows: brand associations, perceived quality of brand quality, brand awareness, brand loyalty and perceived quality of brand differentiate, respectively. Furthermore, the results indicated there was a significant positive relationship between only 4 dimensions of brand equity including brand loyalty, brand associations, perceived quality of brand differentiate, and perceived quality of brand quality.

Ching (et al., 2008), his study examined the relationships between brand equity, brand preference, and purchase intentions on international air passengers decisions in Taiwan. The findings indicated positive relationships between brand equity, brand preference, and purchase intentions with a moderation effect of switching cost affecting the relationship between brand equity and purchase intentions. More specifically, the effect of brand equity on purchase intentions is not significant for passengers with low switching costs.

Hui-Chu Chen, James Miller and Robert D. Green (2008) conducted a study titled “Gender Difference Influencing Brand Equity”. The study identified the relationship between gender (male and female) and retail brand equity (brand loyalty, brand awareness, perceived quality, and brand association). The results showed that males had higher brand loyalty. Females however, had greater brand awareness, perceived quality, and brand association. This study concluded with the implications for branding scholars and to consumer product manufacturer and retailers.

Rajasekar and Nalina (2008), study looked specifically at one destination or country in measuring CBBE. Their study measured brand equity in the Indian environment using five factors, namely performance, social image, value, trust-worthiness, and attachment. The results indicate that the components of brand equity that have a significant influence on overall equity of the brand for consumers are performance, trust-worthiness, and attachment towards the Indian environment.

Kyung Hoon et al., (2008), suggested his studies related to health care marketers facing unique challenges around the world. This study identifies five factors that influence the creation of brand equity through successful customer relationships, trust, customer satisfaction, relationship commitment, brand loyalty and brand awareness. An empirical testy of the relationships among these factors suggests that hospitals can be successful in creating image and positive brand equity if they can manage their customer relationships well.

Chang et al., (2009), analyses the antecedents of brand equity were considered to be brand attitude and brand image, and the consequences of brand equity were considered to be brand preference and purchase intentions. This study concentrates on service brands, selecting 18 from 3 service categories. A structural equation model was presented. The impact of brand equity on customer preference and purchase intentions is confirmed as well, which tends to validate the proposed research framework.

Manoj Pandey and Dr. J.K. Raja (2009) stated that the outcome of brand positioning is brand perceptions which are gathered from multiple routes including customer experiences, marketing communication efforts and word of mouth. The perception of the brand was critical as it is apparent from the huge amount of money being spent by organization on brand development and measurement. This study has been conducted to empirically test two hypotheses about the relationship between brand perception and brand loyalty. The first part

of the research shows very little evidence that any one brand attribute is more relevant or related to brand loyalty than other brand attributes. The second part observes that higher number of attribute association with brand leads to higher brand loyalty.

Dr. P. Natarajan and Thiripurasundari U. (2010), in their paper Brand Preference on 'B' Segment Maruti Cars, emphasized that strong brands quality increase trust in intangible products enabling customers to better visualize and understand them. The Brand Preference towards Maruti B Segment cars was studied by administering structured interview schedule to 150 customers in Pondicherry city. Maruti should take the initiative to introduce new models according to the choice of the customers at regular intervals which will pave the way to be No.1 Company in India in the near future. While the customer gets satisfaction and was able to improve his/her standard of living and quality of life, the marketer profits from the brand experience that the customer gets and was able to generate a surplus after ensuring satisfaction to the consumer.

P. Natarajan and U. Thiripurasundari (2010), this study observes that consumer preference of global brands vs. local brands in the Indian car industry. Consumer brand perceptions have substantial implications in Marketing. The customer's preference towards local and global brands was studied by administering structured interview schedule with 150 customers in Pondicherry city. The findings of the study advised that the consumers who possessed global car brands, preferred their car brands due to factors such as global presence, worldwide reputation and quality of being a foreign made. Consumers made favorable perceptions the country, wherein they tend to associate factors such as superior quality, technical advancements, modernization etc. to the country from which the brand had taken its origin. Consumers who owned a local brand evaluated the local brand in a favorable manner, wherein they tend to associate the brand to India's strong automobile sector that makes quality and technically efficient cars.

5. Research Methodology

The Researcher used Descriptive Research Design in this research. Primary Data's were collected using questionnaire and Secondary data's were collected from journals, books and websites. The collected data were edited, coded, classified and tabulated for analysis. The sampling technique used by the researcher is convenience sampling. Sample size taken for the study is 125.

6. Data Analysis & Interpretation

Aggregate data collected from all the 125 respondents from automobile sector by using the Brand Equity questionnaire were factor analyzed to know its internal structure and the grouping of items.

Table.1 Showing the KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.818
Bartlett's Test of Sphericity	Approx. Chi-Square	973.351
	Df	406
	Sig.	.000

Source: Primary Data

The KMO value close to 1 indicates that pattern of correlation were relatively compact and so factor analysis yielded is reliable. Kaiser (1974) recommended that accepting values greater than 0.5 as acceptable. Value between 0.7 and 0.8 are good. For the present study the KMO value is 0.818 which falls in to the range of being goods the researcher is a confidence that the factor analysis is appropriate for this data. The Bartlett's test is highly significant ($p < 0.0001$) therefore the factors analysis is appropriate.

Table 2 Showing the Communalities for Factor Analysis

Variables	Initial	Extraction
Brand Association1	0.373	0.999
Brand Association2	0.588	0.975
Brand Association3	0.552	0.999
Brand Association4	0.362	0.694
Perceived Quality1	0.324	0.574
Perceived Quality 2	0.289	0.824
Perceived Quality 3	0.365	0.999
Perceived Quality 4	0.242	0.739
Perceived Quality 5	0.335	0.768
Brand loyalty1	0.370	0.692
Brand loyalty 2	0.366	0.573
Brand loyalty 3	0.267	0.633
Brand loyalty 4	0.381	0.999
Brand Awareness 1	0.506	0.643
Brand Awareness 2	0.217	0.647
Brand Awareness 3	0.826	0.891
Brand Awareness 4	0.280	0.644
Brand Awareness 5	0.285	0.749
Brand Image 1	0.289	0.876
Brand Image 2	0.298	0.611
Brand Image 3	0.814	0.999
Brand Image 4	0.399	0.725
Brand Equity 1	0.257	0.659
Brand Equity 2	0.268	0.561
Brand Equity 3	0.803	0.829
Brand Equity 4	0.375	0.524
Brand Equity 5	0.820	0.974
Brand Equity 6	0.389	0.963
Brand Equity 7	0.250	0.551

Source: Primary Data

Communalities were shown in the output and none goes less than 0.550 the average of communalities can be found by adding them up and dividing by the number of communalities.

The table 3 list the eigen values associated with each linear component(factor) before extraction, after extraction and after rotation. 29 linear components were used. The eigen values associated with each factor represent the variance explained by that particular linear component and SPSS also displays the eigen value in terms of the percentage of variance explained, factor1explain 9.861 of total variance. It is clear that the first few factors explain relatively large amount of variance whereas subsequent factor explain only small amounts of factors. In the final part of the table rotation sums of squared loadings, the eigen values of the factors after rotation were displayed. Rotation has the effect of optimizing the factor structure and one consequence for these data is that the relative important of the factors is equalized. Before rotation, factor 1 accounted for considerably more variance than remaining (9.861 percentage compared to 8.832, 7.384, 7.169, 6.141and 5.704percentage), after extraction it accounts for only 7.597 percentage of variances (compared to 7.417, 6.835, 6.440 and 6.133 percentage respectively).

Table 3 Showing the Total Variance Explained

Variables	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.860	9.861	9.861	2.860	9.861	9.861	2.203	7.597	7.597
2	2.561	8.832	18.693	2.561	8.832	18.693	2.151	7.417	15.014
3	2.141	7.384	26.077	2.141	7.384	26.077	1.982	6.835	21.849
4	2.079	7.169	33.246	2.079	7.169	33.246	1.868	6.440	28.290
5	1.781	6.141	39.387	1.781	6.141	39.387	1.779	6.133	34.422
6	1.654	5.704	45.091	1.654	5.704	45.091	1.696	5.849	40.272
7	1.531	5.278	50.369	1.531	5.278	50.369	1.588	5.476	45.747
8	1.313	4.528	54.897	1.313	4.528	54.897	1.460	5.034	50.781
9	1.171	4.038	58.935	1.171	4.038	58.935	1.446	4.986	55.767
10	1.124	3.874	62.809	1.124	3.874	62.809	1.444	4.978	60.745
11	1.031	3.556	66.366	1.031	3.556	66.366	1.346	4.640	65.385
12	1.008	3.475	69.841	1.008	3.475	69.841	1.292	4.456	69.841
13	0.908	3.132	72.973						
14	0.853	2.940	75.913						
15	0.767	2.644	78.557						
16	0.760	2.620	81.177						
17	0.729	2.515	83.693						
18	0.627	2.163	85.856						
19	0.579	1.995	87.851						
20	0.536	1.848	89.699						
21	0.531	1.830	91.530						
22	0.497	1.712	93.242						
23	0.465	1.605	94.847						
24	0.448	1.544	96.391						

25	0.343	1.183	97.574					
26	0.277	0.954	98.528					
27	0.232	0.800	99.328					
28	0.114	0.393	99.721					
29	0.081	0.279	100.000					

Source: Primary Data

The analysis was conducted by using principal components method with Varimax rotation. The rotation revealed 5 factors with Eigen value greater than 1 explaining 69.841% of the total variance. The table revealed that the loadings vary from 0.509 to 0.809 as an initial attempt. After factor analyses the 5 factors were named as Brand awareness (Factor-1), Perceived quality(Factor-2), Brand loyalty (Factor-3), Brand associations (Factor- 4), Brand image (Factor-5).

Table.4 Showing Rotated Item – Factor Loading with Eigen Values and Total Variance for BEQ (Initial Attempt)

Item No	Factor- 1	Factor- 2	Factor- 3	Factor- 4	Factor- 5
Brand Association1	0.201	0.121	0.258	0.017	0.582
Brand Association2	0.108	0.429	0.251	0.132	0.135
Brand Association3	0.028	0.186	0.259	0.067	0.587
Brand Association4	0.251	0.544	0.228	0.104	0.279
Perceived Quality1	0.254	0.237	0.053	0.209	0.291
Perceived Quality 2	0.439	0.110	0.166	0.297	0.266
Perceived Quality 3	0.221	0.481	0.102	0.008	0.087
Perceived Quality 4	0.058	0.168	0.146	0.029	0.204
Perceived Quality 5	0.580	0.173	0.153	0.214	0.346
Brand loyalty1	0.301	0.300	0.445	0.270	0.166
Brand loyalty 2	0.385	0.319	0.225	0.003	0.394
Brand loyalty 3	0.129	0.166	0.452	0.263	0.068
Brand loyalty 4	0.450	0.379	0.064	0.071	0.111
Brand Awareness 1	0.060	0.307	0.209	0.321	0.491
Brand Awareness 2	0.023	0.282	0.133	0.013	0.130
Brand Awareness 3	0.393	0.126	0.487	0.322	0.258
Brand Awareness 4	0.234	0.155	0.196	0.083	0.037
Brand Awareness 5	0.114	0.111	0.338	0.027	0.145
Brand Image 1	0.375	0.140	0.242	0.062	0.106
Brand Image 2	0.383	0.286	0.163	0.011	0.204
Brand Image 3	0.444	0.545	0.285	0.123	0.349
Brand Image 4	0.531	0.241	0.140	0.119	0.306
Brand Equity 1	0.076	0.092	0.263	0.418	0.121
Brand Equity 2	0.250	0.255	0.101	0.308	0.044
Brand Equity 3	0.417	0.528	0.239	0.122	0.184
Brand Equity 4	0.160	0.508	0.190	0.184	0.365
Brand Equity 5	0.358	0.191	0.551	0.231	0.044

Brand Equity 6	0.391	0.312	0.233	0.246	0.144
Brand Equity 7	0.287	0.138	0.280	0.129	0.050
Eigen Value	2.860	2.561	2.141	2.079	1.781
% Of Variance	9.861	8.832	7.384	7.169	6.141
Cumm.%	18.293	33.246	45.091	54.897	69.841

Source: Primary Data

This table contains the rotated factor loadings, which represent both how the variables are weighted for each factor but also the correlation between the variables and the factor.

Table 5 Showing Rotated Item – Factor loading with Eigen Values and Total variance for BEQ (Final Attempt)

Item No	Factor- 1	Factor- 2	Factor- 3	Factor- 4	Factor- 5
Brand Association1	0.241	0.295	0.281	0.429	0.512
Brand Association2	0.481	0.140	0.060	0.184	0.074
Brand Association3	0.098	0.193	0.354	0.347	0.508
Brand Association4	0.122	0.316	0.092	0.116	0.323
Perceived Quality1	0.319	0.148	0.133	0.283	0.278
Perceived Quality 2	0.359	0.137	0.309	0.178	0.196
Perceived Quality 3	0.529	0.028	0.120	0.046	0.028
Perceived Quality 4	0.241	0.168	0.164	0.021	0.248
Perceived Quality 5	0.373	0.472	0.167	0.113	0.103
Brand loyalty1	0.097	0.284	0.498	0.210	0.080
Brand loyalty 2	0.103	0.236	0.337	0.249	0.106
Brand loyalty 3	0.050	0.381	0.331	0.253	0.030
Brand loyalty 4	0.409	0.315	0.135	0.033	0.464
Brand Awareness 1	0.092	0.373	0.035	0.235	0.497
Brand Awareness 2	0.001	0.285	0.103	0.014	0.155
Brand Awareness 3	0.117	0.655	0.037	0.251	0.111
Brand Awareness 4	0.270	0.316	0.119	0.024	0.079
Brand Awareness 5	0.153	0.346	0.015	0.427	0.131
Brand Image 1	0.007	0.418	0.219	0.131	0.168
Brand Image 2	0.010	0.368	0.177	0.376	0.275
Brand Image 3	0.089	0.174	0.661	0.249	0.297
Brand Image 4	0.506	0.224	0.250	0.062	0.027
Brand Equity 1	0.340	0.091	0.341	0.372	0.091
Brand Equity 2	0.366	0.060	0.302	0.108	0.037
Brand Equity 3	0.101	0.489	0.592	0.232	0.369
Brand Equity 4	0.367	0.288	0.228	0.125	0.449
Brand Equity 5	0.133	0.665	0.154	0.180	0.287
Brand Equity 6	0.024	0.121	0.596	0.122	0.116
Brand Equity 7	0.131	0.329	0.421	0.059	0.036
Eigen Value	2.203	2.151	1.982	1.868	1.779
% Of Variance	7.597	7.417	6.835	6.440	6.133
Cumm.%	15.014	28.290	40.272	55.767	69.841

Source: Primary Data

Table 6 Showing the Component Transformation Matrix

Component	1	2	3	4	5
1	0.515	0.625	0.545	0.962	0.545
2	0.781	0.863	0.574	0.531	0.698
3	0.648	0.767	0.533	0.712	0.781
4	0.529	0.526	0.688	0.972	0.859
5	0.752	0.934	0.733	0.610	0.964

Source: Primary Data

The factor analysis was conducted using principle component method with varimax rotation. The rotation reveals 5 factors with Eigen value ± 0 . The component transformation matrix shows that the loading varies from 0.5 to 0.9 for total 5 factors.

7. Findings of the Study

- For the present study the KMO value is 0.818 which falls in to the range of being goods the researcher is a confidence that the factor analysis is appropriate for this data. The Bartlett's test is highly significant ($p < 0.0001$) therefore the factors analysis is appropriate.
- It is clear that the first few factors explain relatively large amount of variance whereas subsequent factor explain only small amounts of factors. In the final part of the table rotation sums of squared loadings, the Eigen values of the factors after rotation were displayed. Rotation has the effect of optimizing the factor structure and one consequence for these data is that the relative important of the factors is equalized.
- The rotation revealed 5 factors with Eigen value greater than 1 explaining 69.841% of the total variance. The table revealed that the loadings vary from 0.509 to 0.809 as an initial attempt.
- After factor analyses the 5 factors were named as Brand awareness (Factor-1), Perceived quality(Factor-2), Brand loyalty (Factor-3), Brand associations (Factor- 4), Brand image (Factor-5).

8. Discussions & Implications

Strong brand equity allows the companies to retain customers better, service their needs more effectively, and successfully implementing and managing an on-going relationship marketing effort by offering value to the customer and listening to their needs. The brand strength depends on the perception of customers. Satisfied and loyal customers indicate positive perceptions of brand. In this current scenario competition is getting more powerful, it is imperative for the firm to seriously evaluate the factors that are not only important in creating strong brand equity but also assist them in achieving customer satisfaction and loyalty. Based on the results obtained in this study, among all the five brand equity dimensions brand image, perceived quality and brand association were found to significantly contribute to brand equity. Brand loyalty and brand awareness were insignificant and did not affect brand equity. The results of this study provide various insights. For the brand equity sources hypothesized, perceived quality as an aspect of vital importance when building brand equity. The greater

impact of perceived quality can be attributed to the sample composition of experienced consumers and service context used for this study.

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Study on Quality of Life of Migrants with Reference to Textile Workers in Erode District

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Abstract

In India, there has been stable increase in the number of migrants. Diverse reasons are attributed to the reasons on migration. The working and living conditions of the migrants, who could easily be immersed in informal activities in urban areas are far from satisfactory. This study is an attempt to find out the reasons for migration and their living condition in Erode district of Tamil Nadu state.

Keywords: Migration, Index score, Living, Economic

1. Introduction

The urbanization and industrialization of the urban areas have generated more employment opportunities, better infrastructure and good living atmosphere. People migrate to such regions perceiving them as greener pastures. Migration can be immensely effective in improving the earnings, education and involvement of individuals and families and enhancing their children's future prospects. Migration in India is mostly influenced by social structures and pattern of development. Migration from different states to other states in India has now become so rampant that its impact is felt in every aspect of life.

Most of the poor people migrating to cities and towns join one or another informal sector activity either in wage employment or self-employment. The participation of these migrant workers in the organized sector employment, which provides decent working condition in the urban areas, has been abysmally low, partly explained by lack of educational attainment of rural youth, which is required to get job in the organized sector. Therefore, they tend to be absorbed in the informal sector which has grown over time, functioning as providers of essential services to the city although at very low returns.

Textile workers are one of such migratory group. Textile industry is now becoming a way of entering a city for the rural migrants. As a result, majority of the workers in the Textile industry are migrants. The textile industry has a long tradition of employing migrant labour. During the process of economic development, work in textile provides a traditional point of entry to the labour force for migrant workers from the countryside. Textile work is often the only significant alternative to farm labour for those without any particular skill or education and it has special importance for the landless. Since the labour is cheap and available in abundance, textile industry makes use of these resources optimistically. These background

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have made the researcher to explore the quality of life of migrants with special reference to textile industries in Erode district

2. Literature review

PrabhatPatnaik and Chandra sekhar (1998) revealed that migrant households live in unhygienic and congested places devoid of basic necessities for a healthy life like housing, water supply, drainage and sanitation and suggested that a comprehensive package incorporating measures to improve urban environment and health status should be launched on a massive scale. Filmer and Pritchett (1998) implied that migrant saving –remittances are used for both consumption and investment in Turkey and suggested that migration and remittances have positive indirect effects on incomes in emigrant households. Sundari S (2002) made an analysis based on the slum people with 200 sample respondents and the findings showed that there is steady deterioration in the quality of life of migrant households.

Tiwari. R.S (2002) analyzed the pattern of migration, poverty profile and consumption pattern of a sample of 500 workers engaged in informal sector in Agra and Kanpur cities in Uttar Pradesh and Puri in Orissa and underlined that low level of income was the major determinant in the process of rural-urban migration. Arup Mitra (2005) aimed to focuses on the role of networks in accessing jobs in the urban labour market with 200 sample respondents. The findings are indicative of improvements in the well-being of migrant workers over time, several of the long-duration migrants and natives in the cities still lead a low quality life. W.N. Salve (2008) made an attempt to discuss about labor rights and standards in respect of migrant labour in India and findings showed that uniform labour standards in the context of unorganized sector workers, like migrant workers, should be implemented in rural and urban areas of India. Katewongsa and Musikaphan (2009) focused on the migrantswell being by considering the comparison between benefit and risk in movement and the findings from this study suggested that it is not easy for migrants to achieve a better life by moving for work.

Bikram K. Pattanaik (2009) examined the reasons on why and how these young people had come to work in this urban environment, how they live and spend their money and what they perceive as their major problems and recommended to take more-adequate measures for the protection of human rights of such migrant workers. Randall Hansen (2014) attempted to find the reasons for labour migration and to document how and where they migrate, their living conditions prior to migration and at their place of migration. Ambigadevi P, Gandhimathi S (2012) aimed to find out the reasons for migration and their living conditions and exhibited that economic factors outweigh social factors for the people to migrate and suggested that the migrants have to be given proper training to enhance their levels of living.

Chukwuedozie Kelechukwu Ajaero, Ignatius AniMadu (2014) appraised the impact of rural-urban migration on rural livelihoods in southeastern region of Nigeria and recommended among other things that educational institutions and small and medium scale industries

should be established in the study area. Baykara-Krumme, Helen and Platt, Lucinda (2016) evaluated the effects of migration on life satisfaction and found that both migrants and return migrants experience higher life satisfaction in old age than stayers.

3. Methodological Framework

3.1. Statement of the Problem

The present study is a simple and straight forward analysis of characteristics of migrants of the metropolis of Erode, which receives a regular flow of people from its hinterlands and rural areas looking for jobs and also for better prospects through education and even marital alliances. However, the present study focuses not only on the socio-economic, demographic and other characteristics of the migrants, but also looks in terms of quality of life, they have achieved in the city through their hard life and work. In essence, the study attempts at measuring and scaling quality of life, wellbeing in life and work and also evaluating their perceived understanding of nature, value and knowledge of the life and work they have braved, through a multivariate analysis.

3.2. Objectives of the Study

- To examine the socio, economic and work characteristics of the migrants in textile firms of Erode district.
- To find out the living conditions of the migrants with reference to economic, social and work pattern.
- To estimate the quality of life index of the migrants in the district of Erode.

3.3. Research designs and methods

The population for the study was the migrants of Erode district in Tamil Nadu. The migrants in textile firms of Erode district were considered for the study purpose. As per the survey of 2016, by Tamil Nadu government discovered that there are 10.67 lakh migrant workers in the state. The uppermost employer of this group was the manufacturing sector (27%), followed by textile (14.1%) and construction (11.4%). There are more than 1,500 textile mills in Tamil Nadu, the largest center for textile and manufacturers in India. The sample of 200 migrants was considered for the research. The sample size was arrived using the sample size calculator. Multi stage sampling techniques was adopted in this research. In the first stage, the area was identified as Erode district. In the second stage 10 textile firms were identified in Erode district based on high number of migrants exist. The researcher has collected 10 samples from each firm on the basis of systematic random sampling. Various data like the demographic profile, economic pattern, living pattern, social pattern, work pattern, problems faced by the migrants were collected using questionnaire. The data so collected were analyzed in terms of percentage analysis (using index consideration) and regression analysis. By using percentage analysis, the demographic factors of the migrants, economic, social and work pattern of this migrant were explained. The index score is a consolidated measure and computed for each migrant based on their economic, social and work patterns. The interrelationship between working condition and the migrant's pattern of living were analyzed using regression.

4. Results and Discussion

4.1. Demographic Profile

Table 1 Demographic Profile of Migrants

S.No.	Demographic variables	Categories	Frequency	Percent
1	Gender	Male	140	70
		Female	60	30
2	Age	Below 25 Yrs	61	30.5
		25 – 30 Yrs	82	41
		31 – 35 Yrs	20	10
		36 – 40 Yrs	27	13.5
		41 – 45 Yrs	5	2.5
		Above 45 Yrs	5	2.5
3	Education	Illiterate	100	50
		Primary education	38	19
		Middle	35	17.5
		High school	19	9.5
		Higher secondary	5	2.5
		Diploma	1	0.5
		Graduate	2	1
4	Type of family	Nuclear	97	48.5
		Joint	103	51.5
5	Marital status	Married	137	68.5
		Unmarried	58	29
		Widow	2	1
		Separated/Divorced	3	1.5
6	Occupation of parents	Agriculture	77	38.5
		Daily wage earners	87	43.5
		Self employed	15	7.5
		Salaried job	17	8.5
		Others	4	2
7	Income of your family(in Rs)	Less than 5000	13	6.5
		5000 – 10000	95	47.5
		10000 – 15000	67	33.5
		16000 – 20000	25	12.5

Source: Data obtained from Primary data Collection

The male being the breadwinner of the family has to search for better jobs for supporting the livelihood of their family members. So most of the migrants were mostly male and within the age category of 25-30 years. The workers are mostly migrated from Bihar, Orissa, West Bengal and Assam. These regions have an inadequate educational infrastructure creating a huge mismatch between demand and supply. As a result, the migrants were mostly illiterate and were basically from joint family. They struggle hard to meet their daily needs by earning wages with average monthly income of around Rs.7500.

4.2. Economic pattern of migrants**Table 2 Economic pattern of migrants**

S.No.	Variables	Categories	Frequency	Percent
1	Source of saving	Post office	4	2
		Bank	87	43.5
		Chit fund	9	4.5
		Friends and relatives	100	50
2	Reason for saving	Education	10	5
		Marriage	39	19.5
		Health	18	9
		Future	94	47
		Construction of house	13	6.5
		Emergency	23	11.5
		Others	3	1.5
3	Monthly savings	Less than 500	84	42
		500 – 1000	76	38
		1000 – 1500	23	11.5
		Above 1500	17	8.5
4	Debt possessed	Possessed	128	64
		Not possessed	72	36
5	Source of debt	Money lender	48	24
		Chit fund	10	5
		Friends and relatives	113	56.5
		Bank	26	13
		Others	3	1.5
6	Reason for debt	Education	15	7.5
		Health	22	11
		Marriage	57	28.5
		Construction of house	37	18.5
		Emergency	29	14.5
		Personal expanses	40	20
7	Expenditure of your family(in Rs)	Less than 5000	146	73
		5000 – 10000	54	27
8	House possessed	Possessed	115	57.5
		Not possessed	85	42.5
9	Land Possessed	Possessed	103	51.5
		Not possessed	97	48.5
10	Furniture	Possessed	101	50.5
		Not possessed	99	49.5
11	Refrigerator	Possessed	52	26
		Not possessed	148	74
12	TV	Possessed	90	45
		Not possessed	110	55

13	Radio	Possessed	88	44
		Not possessed	112	56
14	Grinder	Possessed	79	39.5
		Not possessed	121	60.5
15	Mixer grinder	Possessed	88	44
		Not possessed	112	56
16	Jewels	Possessed	77	38.5
		Not possessed	123	81.5
17	Cell phone	Possessed	137	68.5
		Not possessed	63	31.5
18	Vehicle	Possessed	70	35
		Not possessed	130	65
19	Value of asset (in Rs)	Less than 10000	55	27.5
		10000 - 20000	52	26
		20000 - 40000	17	8.5
		40000 - 60000	11	5.5
		60000 - 80000	30	15
		Above 1 lakh	35	17.5

Source: Data obtained from primary data collection

Table 3 Index Score of Economic Pattern of Migrant

Index score	Frequency	Percent
10 - 40	0	0
40 - 70	92	46
70 - 100	108	54
Total	200	100

The majority of migrants save around 10% of their earnings for their future use by depositing in banks and from 200 migrants, 128 migrants possess debt by getting it from their friends and relatives for fulfilling their basic needs and the increase in the debts was the main reason for their migration. Out of the 200 migrants considered for study, 115 migrants possess house and land but all these possession are found to be in their native places and they live in the workplace on a temporary basis. It also revealed that only 35 migrants possess assets valuing more than Rs.1 Lakh. The index score indicates that 46% of the migrants fall in the medium index score and 54% migrants' fall in the higher range of economic index score. This reveals the fact that the migrants found to have better economic position after migrating from their native place, which resulted in improvement of their standard of living.

4.3. Living Condition of Migrants

Table 4 Living Pattern of Migrants

S.No.	Living condition	Categories	Frequency	Percent
1	Accommodation pattern	Own house	53	26.5
		Rental house	100	50
		Job site	47	23.5
2	Current living space	Within 100 sq.ft	100	50
		100 - 200 sq.ft	53	26.5
		200 - 300 sq.ft	22	11
		Above 300 sq.ft	25	12.5
3	Wall type of Residing place	Rubber sheet	32	16
		Bricks	135	67.5
		Stone	33	16.5
4	Floor type of Residing place	Mud	68	34
		Cement	132	66
5	Roof type of residing place	Leaf	69	34.5
		Rubber sheet/Tent	30	15
		Asbestos	58	29
6	Bathroom	Within house	26	13
		Within compound	92	46
		Away from house	82	41
7	Latrine	Within house	30	15
		Within compound	74	37
		Away from house	96	48
8	Type of latrine	Water closet	8	4
		Independent	45	22
		Shared	92	46
		Public	55	27
9	Drainage	Closed	149	25.5
		Open	51	74.5
10	Drinking water	Within premises	44	22
		Near the premises	117	58.5
		Away from premises	39	19.5
11	Family members migrated along with respondents	Self	52	26
		Self with spouse	46	23
		Self with spouse and children	43	21.5
		Self with parents	28	14
		Whole family	31	15.5
12	Reasons for migration	Low income	40	20
		Lack of job	54	27
		Poverty	32	16
		It to be independent	34	17
		Family problem	40	20

Source: Data obtained from primary data collection

Around 100 migrants are living in rental house and the area of their residential place is within 100 sq.ft. Most of the respondents live in houses in which the walls are made up of bricks and the floor with cement and the roofs are made up of leaf. Their living pattern shows that 92 migrants have bathroom with in their compound and with latrines away from their houses and they use the toilet on sharing basis. This shows that their current living conditions are not as better as their living condition in their native place. 148 migrants migrated their spouse and family and the prime reason is that almost everybody in the family works invariably to improve their financial status and they have migrated because of 'lack of job and source of income' in their place of origin. The index pattern reveals the fact that the migrants found to have poor social position after migrating from their native place, which shows their poor social existence and mobility.

4.4. Problems Faced due to Migration

Table 5 Problems faced due to migration

S.No.	Problems	Categories	Frequency	Percent
1	Language	Faced	121	60.5
		Not faced	79	39.5
2	Child education	Faced	30	54
		Not faced	170	46
3	Health	Faced	21	89.5
		Not faced	179	10.5
4	Away from relatives	Faced	110	55
		Not faced	90	45
5	Finding shelter	Faced	63	68.5
		not faced	137	31.5
6	Getting ration card	Faced	56	72
		Not faced	144	28
7	Availing health provision	Faced	8	96
		Not faced	192	4
8	Job promotion	Faced	40	80
		Not faced	160	20
9	Poor living condition	Faced	38	81
		Not faced	162	19
10	High cost of living	Faced	66	33
		Not faced	134	67

Source: Data obtained from primary data collection

The main problem faced by the migrants was language because most of them were from the northern region of India. Most of the migrants were away from their relatives and they struggled to find shelter and to get adapted to the new living condition. Only 40 migrants from 200 migrants got promotion in their job. The workers migrated to other places on temporary

basis, so they struggled to get their ration card in order to participate in various government schemes.

4.5. Social Pattern of Migrants

Table 6 Social Pattern of Migrants

S.No.	Variables	Categories	Frequency	Percent
1	Mode of transport to workplace	By walk	79	39.5
		Bicycle	68	34
		Bus	24	12
		Mopeds/bike	29	14.5
2	Distance of workplace from your living place respondent's	Within the site	60	30
		Less than 5km	86	43
		5 - 10 km	43	21.5
		10 - 15 km	11	5.5
3	Public distribution system	Accessed	78	39
		Not accessed	122	61
4	Government schools	Accessed	82	41
		Not accessed	118	59
5	Government hospital	Accessed	191	95.5
		Not accessed	9	4.5
6	Extension of trade union	Not aware	99	49.5
		Partially aware	32	16
		Aware	69	34.5
7	Union benefits	Not aware	104	52
		Partially aware	60	30
		Aware	36	18
8	Insurance benefits	Not aware	28	14
		Partially aware	154	77
		Aware	18	9
9	Accident benefits	Not aware	28	14
		Partially aware	137	68.5
		Aware	35	17.5
10	Compensation benefits	Not aware	116	58
		Partially aware	43	21.5
		Aware	41	20.5
11	Child education scheme	Not aware	85	42.5
		Partially aware	81	40.5
		Aware	34	17
12	Welfare facilities	Not aware	82	41
		Partially aware	82	41
		Aware	36	18
13	Pension schemes	Not aware	93	46.5
		Partially aware	61	30.5
		Aware	46	23

Source: Data obtained from primary data collection

Table7 Index score of social pattern of migrants

Index score	Frequency	Percent
10 – 40	60	30
40 – 70	140	70
70 – 100	0	0
Total	200	100

Source: Data obtained from primary data collection

79 migrants used to go by walk to their workplace and it also indicate that 73% of migrants are either living within the site or at a radius of 5 km. This shows that they have accommodation nearer to their workplace. Out of 200 migrants, around 120 migrants have not accessed to public distribution system and government schools but they have accessed to government hospitals. Only few migrants were aware of the availability of trade unions and the availability of various benefits in the place of their work.

It is revealed that around 80 migrants get motivated by their relatives and friends and they have a work experience of around 3-5years. 50% of migrants were semi-skilled and their wages were decided by their contractors. It also indicated that 50% of the migrants were hired by the contractors and they migrated on temporary basis. The index score of work pattern reveals the fact that the migrants found to have poor working position after migrating from their native place, which shows their poor working condition and work status.

4.6. Work pattern of migrants

Table 8 Work Pattern of Migrants

S.No.	Work related Variables	Categories	Frequency	Percent
1	Year of experience in current job	Less than 3 years	65	32.5
		3 – 5 years	81	40.5
		5 – 7 years	33	16.5
		Greater than 7 years	21	10.5
2	Reason for joining in current job	Friends and relatives	71	35.5
		No skill required	47	23.5
		Easy entry	56	28
		Employer engage them	26	13
3	Nature of work	Independently	126	63
		Contract	74	37
4	Level of skill required for current job	High skilled	13	6.5
		Semi skilled	96	48
		Unskilled	91	45.5
5	Deciding authority for respondent's wage	Owner	51	25.5
		Contractor	100	50
		Subcontractor	49	24.5

6	Mode of payment of wages	Daily	47	23.5
		Weekly	97	48.5
		Monthly	56	28
7	Place of migration	Intradistrict	19	9.5
		Interdistrict	26	13
		Interstate	155	77.5
8	Hiring source to current job	Owner	40	20
		Contractor	83	41.5
		Subcontractor	77	38.5
9	Type of migration	Temporary	141	70.5
		Permanent	59	29.5

Source: Data obtained from primary data collection

Table 9 Index Score of Work Pattern of Migrants

Index Score	Frequency	Percent
31 - 40	200	100
41 - 50	0	0
51 - 60	0	0
Total	200	100.0

4.7. Interrelationship between Working Condition and Migrant's Pattern of Living

Table 10 Interrelationship between Working Condition and Migrant's Pattern of Living

	Economic Index	Social Index	Work Index
Economic Index	1	.196**	.095
Social Index	.196**	1	.258**
Work Index	.095	.258**	1

Table 11 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.793 ^a	.629	.624	.677

a. Predictors: (Constant), Work Index, Economic Index, Social Index

Table 12 ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	8.876	3	2.959	3.167	.000 ^b
	Residual	183.119	196	.934		
	Total	191.995	199			

a. Dependent Variable: work condition
b. Predictors: (Constant), Work Index, Economic Index, Social Index

Table 13 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.578	1.013		.767	.444
	Economic INDEX	.541	.111	.218	3.066	.002
	Social INDEX	.343	.132	.030	.415	.033
	Work INDEX	.352	.151	.007	.096	.032

a. Dependent Variable: work condition

$$Y=(0.777)+(0.341)(X1)+(0.055)(X2)+(0.014)(X3)$$

Where Y=Score on work condition

X1=Score on Economic index

X2=Score on Social index

X3=Score on Work index

Economic index is positively related to the social index of migrants with correlation coefficient of 0.196 and social index is positively related to the work index with correlation coefficient of 0.258. The people get migrated from Bihar, Orissa, West Bengal and Assam to other states to improve their standard of living. The results show that the migrants are sacrificing their social needs in order to attain better economic position through their work pattern. The R value of 0.793 indicates a medium degree of correlation and the R square value indicates 62.9% of total variation in the dependent variable (living condition) can be explained by the independent variable (Economic, Social and work pattern). Here significant value from regression is 0.000 which is less than 0.05, indicating that overall regression model is statistically significant which predicts the outcome variable i.e., living condition. It shows that the Economic, Social and Work variables has positively impact with the dependent variable working condition.

5. Conclusion

The current study shows economic factors is the major cause for migrants to leave their places of origin, seeking for better jobs with wages adequate enough to lead a life satisfying their basic necessities. Though the migrants of the current study are provided with proper basic amenities yet their quality of life index does not seem to be satisfactory. Nearly two-thirds of the sample respondents have limited living space with inadequate drinking water and toilet. The working conditions of the respondents are also not satisfactory. These workers are not aware of the social security measures meant for them. None of the respondent is a member of trade unions to ask for their rights. Further the study shows that none of the sample respondents has got very good or good quality of life index. Therefore, appropriate measures are to be taken by the urban local body to provide the basic minimum services, especially by making provision for safe drinking water, subsidized housing, toilet and electricity facilities for the workers and for the speedy implementation of welfare provisions and social security measures for textile workers. The informal industrial sector must get organized to ask for other rights and to represent the workers' interest in areas relating to insurance, training,

wages, terms and conditions of work and healthy working environment. Thus the study concludes that the stakeholders and the Governments, the textile sector and the individuals should ensure decent working condition and proper contract system providing social security and basic health care for the families of the migrant textile workers.

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A Study on Employee's Health and Safety Measures in Pioneer Processing India (A Division of Jansons Industries Ltd.,) Erode

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Abstract

The need of the study is to know the awareness about the health and safety measures of employees in Pioneer Processing India (A division Jansons Industries Limited, Erode district) and also to help the organization to know the health and safety suggestions of employees working in Jansons, so that the suggestions can be evaluated and implement for the betterment of employees working the company. The various welfare measures provided by the employer will have immediate impact on the health, physical and mental efficiency alertness, morale and overall efficiency of the worker and thereby contributing to the higher productivity. Some of the facilities and services which fall within the preview of labour welfare include adequate canteen facilities, accommodation arrangements, and recreational facilities, medical facilities transportation facilities for travelling from & to the place of work. This study highlights the safety measures taken in the textile processing industry, the employees' satisfaction level, and to identify the overall quality of work life of the employees. The primary data was collected by means of a structured questionnaire which is filled by the respondents. The study was conducted with a sample of 215. To analyse the collected data, simple percentage analysis, one way ANOVA and Correlation has been used.

Keywords: *Employee safety, Safety policy, Safety culture, Industrial accident, Occupational safety*

1. Introduction

A health and safety management system is a process put in place by an employer to minimize the risk of injury and illness. This is made possible by identifying, assessing and controlling risks to workers in all workplace operations. The scope and complexity of a system will vary according to the type of workplace, and the type of operations carried out. The management of health and safety is an area that every organization needs to take very seriously. The physical and psychological to an individual that result from either an injury in the workplace or work-related ill health can be traumatic and have serious long-term consequences. Employers have both legal and moral responsibilities to their employees to protect their health and safety, and to ensure that people are not injured as a result of work. The fact is that people don't expect to come to work and be injured-but human beings inevitably take risks throughout their lives. At work, the way in which we take risks is different because a particular kind of relationship exists between employer and employee. This means that the risk is imposed through the

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employment relationship rather than being taken voluntarily. Employers therefore have a duty of care towards employees as a consequence of this relationship.

1.1 Causes of Accidents

The cause of an accident can be generally classified as either human or environmental. Human causes are directly attributable to human error brought about by carelessness, intoxication. Environmental causes, in contrast, are attributable to the workplace and include the tools, equipment, physical plant and general work environment. Both these sources are important, but in terms of accidents, No matter how much effort is made to create a work environment that is accident free, a low accident rate record can be achieved by concentrating on the human element (Decenzo & Robbins, 2007).

1.2 Definition of Health and Safety Culture

The safety culture of an organisation is the product of individual and group values, attitudes, perceptions, competencies and patterns of behaviour that determine the commitment to, and the style and proficiency of, an organisation's health and safety management.

Another definition is 'the way we do things around here'. By explicitly recognising the advantages in looking at their activities in this way, organisations can often achieve a step change in their approach to the management of health and safety.

1.2.1 Industrial Accident

An industrial accident may be defined as "an occurrence which interrupts or interferes with the orderly progress of work in an industrial establishment". According to the Factories Act of 1948, it is "an occurrence in an industrial establishment causing bodily injury to a person who makes him unfit to resume his duties in the next 48 hours". In other words, it is unexpected event which is neither anticipated nor designed to occur.

2. Literature Review

Deepali S. Kadam (2014) in her article "A Study of Health and Safety Measures With Reference To Selected Co-Operative Sugar Factories" identifies to know the detail effectiveness of HR practices related to Health, Safety at selected sugar co-operative factories and its benefits obtained by the employees. To study the problems of implementing the health and safety measures. The sample size was 6 co-operative sugar factories. The author found that it is observed that implemented health provisions give job satisfaction to majority of workers. The workers got motivated due to implemented health provisions. So the productivity also increased in the concern. Blue collar workers say that, implemented safety measures in the factory helps to increase the work productivity. The author suggested that increased humidity effect on employee's health, so implementation of such provision helps to increase the productivity. The organisation should provide good fencing facilities to avoid accidents in the

industry. Factory should provide safety equipment to all workers, who work at height occasionally or daily.

Logasakthi (2013) in her article "A study on employee health, safety and welfare measures of Chemical industry in the view of Salem region" identifies that the welfare measures taken in the chemical industry, the employees satisfaction level, and to identify the overall quality of work life of the employees. The sample size was 100. The author found that there is a relationship between the experience and safety office works, there is no difference between age and periodic health check up facilities of the organisation, there is no relationship between income and medical re-imburement facilities of the organisation. The author suggested to the company Most of the respondents satisfied with the facilities provided by the organization. Organization should maintain same in the future years. Most of the employees are not satisfied with the medical reimbursement facilities provided by the organisation. So the organisation has to concentrate towards settlement of funds internally. The organisation can provide overcoat and mask to avoid health infection.

Prabakar. S (2013) in his article "Employees satisfaction & welfare measures A case study with special reference to Don Bosco college of arts & science" states that to know the awareness about the employee welfare activities in the concern. The author found that all the employees are joined inn trade union most of the respondents are having more than 10 years of experience. Majority of the employees are highly satisfied with the drinking facilities, canteen facilities, leave facilities, transport facilities. The author suggested to the management that the employees are not aware of the existing schemes. Existing schemes can motivate the employee. Management can discuss with the employee to improve the welfare activities, cleanliness can be improved to attract the employee.

Sulaiman J (2013) in his article "A Study on Employee's Satisfaction and Safety Measures" states that to know the Employees perception on effectiveness of safety measures and work environment, awareness of safety and health measures, impact of industrial safety and work environment on productivity. The sample size was 157. The author found that there is no difference between the satisfaction levels of employees regarding the safety measures within the organisation. No difference between employees opinion regarding the work environment with respect to their experience respect to the experience. Majority of the respondents give more importance to goggles when compared with other safety equipments provided to them by the organization. The author suggested to the company that the safety policies can be made known to all employees, contract employees by circulating the policies in both English and regional language. Attention should be focused on minor accidents so that major accidents can be prevented. Drinking water should be provided. The company should provide safety belt who works about 2m heights.

Gabriel Dwomoh (2013) in his article "Impact of occupational health and safety policies on employees' performance in the Ghana's timber industry: Evidence from Lumber and Logs Limited" states that the study is conducted to examine the impact of health and safety policies of employees and their performance. The sample size was 140. The author found there is a positive relationship between health and safety policies and employees performance. When employees are satisfied with health and safety polices it minimizing the absenteeism of the employees. In terms of correlation between the two variables (number of accidents and injuries and employees performance), the Pearson correlation showed an inverse relationship.

Ramanigopal (2012) in his article "Effectiveness of health safety measures towards employees of Bharat Heavy Electrical Limited" states that to measure the effectiveness of safety measures in reducing the accident rate and losses, to assess the effectiveness of medical facilities provided by the organization and level of satisfaction of employees. To identify and suggest measures to improve health, safety and working conditions. The sample size was 200. The authors found that majority of the employees are aware of health and safety policy. Most of the respondents agree that the occurrences of accidents due to inexperience. Most of the respondents agree that the management's response towards accident is very quick.

Ruby Melody Agbola (2012) in his article "Impact of Health and Safety Management on Employee Safety at the Ghana Ports and Harbour Authority" states that the study was conducted to identify the impact of health and safety management. The sample size was 200. The author found that GPHA is a male dominated organisation were few works given to female workers. Maximum employees are well known about the organisation health and safety policy. Many of the employees have not undergone the training on health and safety program. Nearly one third of employees have experienced accidents or health problems that are related to works.

Mark Fleming (2012) in his report "Assessing Employee Safety Motivation" states that the main goal of this study is to develop an instrument to assess employee safety motivation and to evaluate the reliability and validity of this newly developed measure. The author found that there is a lack of motivation for the employees about the safety work environment. Contingency-based motivation influenced by others in the environment. The company give more pressure to work safely.

Sikpa Francis Cudjoe (2011) in his project "An assessment of occupational health and safety practices on job performance at the TettehQuarshie memorial hospital, Mampong-Akuapem" states the study was to know effect of occupational health and safety on healthcare delivery in the Hospital. The sample size was 58. The author found that occupational health and safety it extends beyond the security for employees and employers to third parties, Most of the staff are dissatisfied with the current occupational health and safety measures. The author suggested to the hospital Management should organize regular training, workshops, seminars on health and

safety for staff. There should be regular servicing of machines, plants and equipment to make them safe for use at the work place. Management should display warning notices on faulty machines and equipment.

Venugopal (2011) in his article "Employee welfare activities with respective measures in industrial sector - a study on Industrial cluster at chittordistrict" states the study was to know to know about the welfare programmes conducted by the industries, to asses overall satisfaction level of employee regarding welfare programmes, to obtain relationship between departments & welfare activities. The sample size was 120. The author found that most of the employees are well known about the statutory and non-statutory benefits provided by the organisation. Industry has been maintaining cleanliness but employees were not satisfied with those things. The author suggested that employees they need awareness towards (ESI, Recreation, health & Maternity). They needs to more Health benefits, welfare programmes, canteen facility and Recreation in order to full fill their physiological and safety needs. It is recommended that they should provide timely help to the workforce when they are in trouble, i.e. providing conveyance to hospital when injured, medicines etc.

Sabarinathan S in his article "A Study on Labour Welfare Measures in the Erode District Co-Operative Milk producers union limited" states that the study is for to know the employee welfare facilities, employee working environment for the Organization, safety for employee welfare, job satisfaction. The sample size was 50. The author found that there is no relationships between age and employee satisfaction, the employees have a close relationship with their subordinates. Employees are highly satisfied with the canteen facilities provided by the organisation. The author suggested to the company that employee should have a close relationship with the superiors to discuss about the plan. The company should provide fencing to the machines. The company should convert the satisfaction level to the highly satisfied level to motivate the employees.

Nor Azimah Chew Abdullah (2008) in his article "Assessing Employees Perception on Health and Safety Management in Public Hospitals" states that the study is conducted to know the safety satisfaction, role of supervisor, safety objectives & involvement. The sample size was 418. The author found that the majority of the respondents are female, jnearly half of the employees are working 21 to 40 hours per week. General view of the employees with regard to their occupational health and safety practices were low. There was also a trend to look at health and safety practices as preventing quick and effective working. The health and safety issues affect both men and women at work. The author suggested to that the communication should be in proper way to reach all the employees. There is a need for ongoing commitment and determination from all employees to improve safety performance in an organization.

Megala.A (2005) concludes in his thesis that, "The provision of health-care facilities along with other labour welfare measures can not only ensure better work with in the work place, but can

also ensure peace with in the family of the labourers. A good work environment can promote and favour the wellbeing of the worker.”

Michael O'Toole (2002) in his article “The relationship between employees' perceptions of safety and organizational culture” states the study was to know employee perception survey as a predictive tool of successful safety results; use of an employee perception survey as an alternative measure of an effective and successful safety program. Identify factors that, when present, suggest a high level of risk-control effectiveness. Accidents are defects in the system and are not simply a result of the carelessness or errors of individuals. The attitudes and perceptions of the employees reveal the vision and values that drive their decision-making process. The authors suggested to the company that the upper management initiated a series of educational programs and train the employees to reduce the accidents. Examination of the company's Workers' Compensation records indicates a reduction in the total claims and total payout over the same period, suggesting that there was a true reduction in the frequency rate of injuries.

Marrot (1957) has worked out and executed various schemes of incentive payment. He viewed that, “incentive schemes reduce absenteeism and there will be great punctuality and attention to work and it results in better discipline and better industrial relations. He pointed out that the workers have the advantage of working in a relatively calm and free situation by which supervision over their activities is relaxed.

According to Roger Moorc, president of the DuPont's safety resources in the Asia Pacific region, “It is a wakeup call for India. Safely regulations are pretty good, but it is not put into practice in the workplace. As Indian companies are going global, they see direct economic benefits if safety norms are followed”. Big casualties usually happen in sectors such as aviation, transportation, retail outlets and railways. Research has shown that 96 percent of the accidents are caused by human error and the remaining occurred by accidents. According safety experts in India there is very little concern for safety and many times accidents are not taken seriously. We have to change our mindsets. There is a very little debate on this issue in India. However, there has been a beginning.

3. About the Company

Jansons group comprises of 14 operating companies in five business sectors: Textile, Granite, Retail, Medicare, and Education. Its companies export products and services to 40 countries. It has been an incredible journey for a venture with a humble beginning. Started off as a modest textile unit in 1983, Jansons today stands as an industrial conglomerate with a wide range of super quality products and services. Founded by T S Natarajana former government employee, he worked as sanitary inspector and quit his job with a passion to cloth the world. In 1983 when his sons T N Kalaimani and T N Thirukumar joined him and formed the name Jansons. Their innovative ideas and dynamic work ethics catapulted the venture to dream-like

heights. The credit of making Jansons such a trustworthy household name surely goes to its founder. Soon the group's first yarn sizing unit was set up. Diligent in following the market pulse, the group introduced AmbikaLungis- the first polyester lungi brand launched from South India.

4. Research Methodology

This study aims at describing the nature of employee working with all the health and safety facilities provided by an organization and hence have adopted a descriptive research.

3.1 Milestone and Achievement of Jansons

Serial No.	Milestones	Year
1	The start of the legacy. Jansons Group is founded and an eventful success story begins.	1983
2	A modern processing unit - a precursor to later achievements was set up by the management	1989
3	The group commissions its own printing machine – another milestone that gives way to hopeful diversifications.	1992
4	The group enters into a new venture with the establishment of the Granite Polishing division, later to become a leading name in the domain.	1994
5	One of the pet projects of the founder, the Medical Diagnostics division commences operation. It soon proves to be a trustworthy name.	2002
6	A thoughtful foray into the education business. Jansons School of Business (JSB) is today one of the most sought after 'B' Schools in the country.	2002
7	The Pioneer Processing Unit becomes part of the group, opening up new avenues of excellence.	2005
8	1 st own retail outlet exclusively for men under the name Jansons.	2008
9	The prestigious Jansons Institute of Technology commences functioning. Yet another feather in the cap of Jansons, JIT today creates engineering grads par excellence.	2009
10	Jansons clothing – Home furnishing division.	2010
11	Jansons Spinning	2012
12	25 exclusive retail outlet for men	2014
13	New modernized stitching unit overall capacity of 500 machines exclusively for Home Textiles	2015

4.1 Sample Size and Data Collection

A sample size for the study is 215, whereas the total population of Pioneer Processing India (A division of Jansons Industries limited) is 400, which includes the workers, supervisors, Managers and Working Partners. The study is solely based on the primary data and the source

of primary data is the questionnaire. With the help of the questionnaire distributed among the employees, the researcher collected the relevant information from the employees.

4.2 Data Analysis and Interpretation

4.2.1 Distribution of Employees on the Basis of Age

An attempt was made to study the distribution of employees on the basis of age. For this purpose the employees are classified into five age groups namely 20-25 years, 26-30 years, 31-35 years, 36-40 years & 41 and above. The data are tabulated and presented (Source: Primary data)

Table 4.1 Classification of Employees-Age Wise

Age	Number of Respondents	Percentage
20-25 Years	68	32
26-30 Years	56	26
31-35 Years	63	29
36-40 Years	23	11
41 and Above Years	05	2
Total	215	100

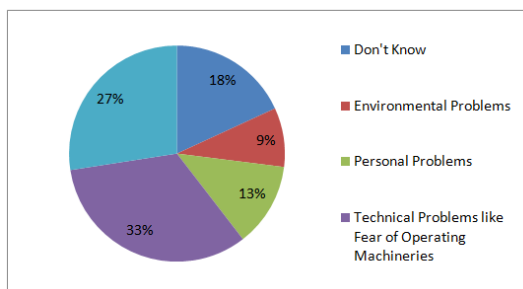
4.2.2 Machinery Safety Training for Every 3 Months in Jansons

An attempt was made to study the distribution of employees based on the frequency of machinery safety training for every 3 months in Jansons Company. The data are tabulated and presented (Source: Primary data)

Table 4.2 Frequency of Machinery Safety Training

Frequency of Machinery Safety Training	Number of Respondents	Percentage
Strongly Agree	20	10
Agree	125	58
Neutral	52	24
Dis-Agree	11	5
Strongly Dis-Agree	7	3
Total	215	100

Chart 4.1 Distribution of Employees on the Basis of the Reason for Accidents



It is evident from the Chart that majority 33% of employees suggests that Technical Problems are the main reasons for accidents followed by 27% of Work Pressure. Hence, Jansons need to look into this and minimize technical problems to prevent Accidents.

4.2.3 Relationship between Gender and Accident Proneness

Null Hypothesis [Ho] – There is no significant relationship between Gender and Accident Proneness.

Alternative Hypothesis [H1] - There is a significant relationship between Gender and Accident Proneness.

Table 4.3 Correlations

		Gender	Accident Proneness
Gender	Pearson Correlation	1	-.059
	Sig. (2-tailed)		.393
	N	215	215
AccidentProneness	Pearson Correlation	-.059	1
	Sig. (2-tailed)	.393	
	N	215	215

This infers that P value is greater than 0.05, hence there is no significant relationship between the Gender and Accident Proneness. Therefore, Null Hypothesis (H0) is accepted and Alternative Hypothesis (H1) is rejected.

4.2.4 One Way Anova

An attempt was made to study the relationship between Age and Workload of the employees in Jansons. The data are tabulated and presented Null Hypothesis [Ho] – There is no significant relationship between Age and Workload. Alternative Hypothesis [H1] - There is a significant relationship between Age and Workload.

Table 4.4 Descriptive

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
High	37	1.65	.484	.080	1.49	1.81	1	2
Medium	170	2.34	1.088	.083	2.17	2.50	1	5
Low	8	3.50	1.604	.567	2.16	4.84	1	5
Total	215	2.26	1.088	.074	2.11	2.41	1	5

Table 4.5 ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	27.093	2	13.547	12.689	.000
Within Groups	226.321	212	1.068		
Total	253.414	214			

From the above table it's pretty clear that P value is lesser than 0.05, hence there is significant relationship between the Age and Workload. Therefore, Alternative Hypothesis (H1) is accepted and Null Hypothesis (H0) is rejected.

4.3 Limitations of the Study

The study is restricted within the company and it is limited to time and cost constraints.

5. Conclusion

The study aimed to find out the health and safety measures of workers in Pioneer Processing India (A division of Janson Industries, Erode). For this purpose, a sample size of 215 was taken and stratified random sampling technique was adopted to choose the respondents. A well-structured questionnaire was prepared and distributed to the employees for the purpose of this research. Thus data collected were tabulated and analysed with statistical tools like simple percentage, correlation, and one way Anova.

The study found that majority of the employees is belonging to the age group of 20-35 years which is a good thing as it involves more number of youngsters. It is suggested to the company to control the air pollution by planting trees around the industry to reduce the dust and fumes and appreciate the workers more for better employee satisfaction.

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A Role of Foreign Direct Investment in the Growth of Indian Service Sector

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Abstract

FDI also plays a vital role in the up gradation of technology, skills and managerial capabilities in various sectors of the economy. Service Sector has emerged as the largest and the fastest growing sector in the global economy in the last two decades, providing more than 60% of global output and in many countries an even larger share of employment. The growth in services has also been accompanied by the rising share of services in world transactions. This present paper attempts to analyse significance of the FDI inflows in Indian service sector.

Keywords: *FDI, GDP, Service Sector*

1. Introduction

The services sector is not only the dominant sector in India's GDP, but has also attracted significant foreign investment flows, contributed significantly to exports as well as provided large-scale employment. India's services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction.

Services constitute the largest recipient sector of FDI, accounting for about two third of FDI inflows worldwide, and about 53% of FDI inflows into developing countries. The basic objective of this paper is to emphasize on the implications of FDI in India specifically in services sector. One of the most significant contributors to India's Booming economy is the development of the service sector.

2. Review of Literature

Kumar and Karthika found out in their study on "Sectoral Performance through inflows of Foreign Direct Investment (FDI), that Foreign Direct Investment has a major role to play in the economic development of the host country. Most of the countries have been making use of foreign investment and foreign technology to accelerate the pace of their economic growth. FDI ensures a huge amount of domestic capital, production level and employment opportunities in the developing countries, which a major step towards the economic growth of the country.

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Bajpai and Jeffrey stated attempted the paper on “Foreign Direct Investment in India: Issues and Problems, to identify the issues and problems associated with India’s current FDI regims and also the other associated factors responsible for India unattractiveness as an investment location. Despite India offering a large domestic market, rule of law, low labour costs, and a well working democracy, her performance in attracting FDI flows have been far from satisfactory. The conclusion of the study is that a restricted FDI regime, high import tariffs, exit barriers for firms, stringent labor laws, poor quality infrastructure, centralized decision making processes and a very limited scale of export processing zones make India an unattractive investment location.

The aspects of foreign direct investment i.e., political scenario and trends are analysed by most of the studies and they are, Tanay Kumar Nandi and Ritankar Saber (2007) in their work made an attempt to study the foreign direct investment with a special focus on Retail Trade. This paper stresses the need of FDI in India in retail sector and uses the augment that FDI is allowed in multiple sectors and the effects have been quite good without harming the domestic economy and the study also suggests the at FDI in retail sector must be allowed.

The Indian retail market, which is the fifth largest retail destination globally, has been ranked the most attractive emerging market for investment in the retail sector by A.T. Kearney annual Global Retail Development Index (GRDI) in 2009.

3. Sectors Attracting Highest FDI Equity Inflows

By service sector we mean the tertiary sector, which is the largest of the three constituent sectors in terms of contribution to gross domestic product (GDP) in India. The service sector comprises trade, hotels and restaurants, transports, storage, communication, financing, insurance real estate and business services etc.

This sector provides services of final consumption nature as well as intermediate nature, the latter accounting for a major share. Substantial parts of services such as transport and communications are in the form of intermediate inputs for production of other goods and services.

According to Department of Industrial Policy and Promotion (DIPP), the total FDI investments in India during April-September 2017 stood at US\$ 33.75 billion, indicating that government's effort to improve ease of doing business and relaxation in FDI norms is yielding results.

Data for April-September 2017 indicates that telecommunication sector attracted the highest FDI equity inflow of US\$ 6.08 billion, followed by computer software and hardware – US\$ 3.05 billion and services – US\$ 2.92 billion. Most recently, the total FDI equity inflows for the month of September 2017 touched US\$ 2.12 billion.

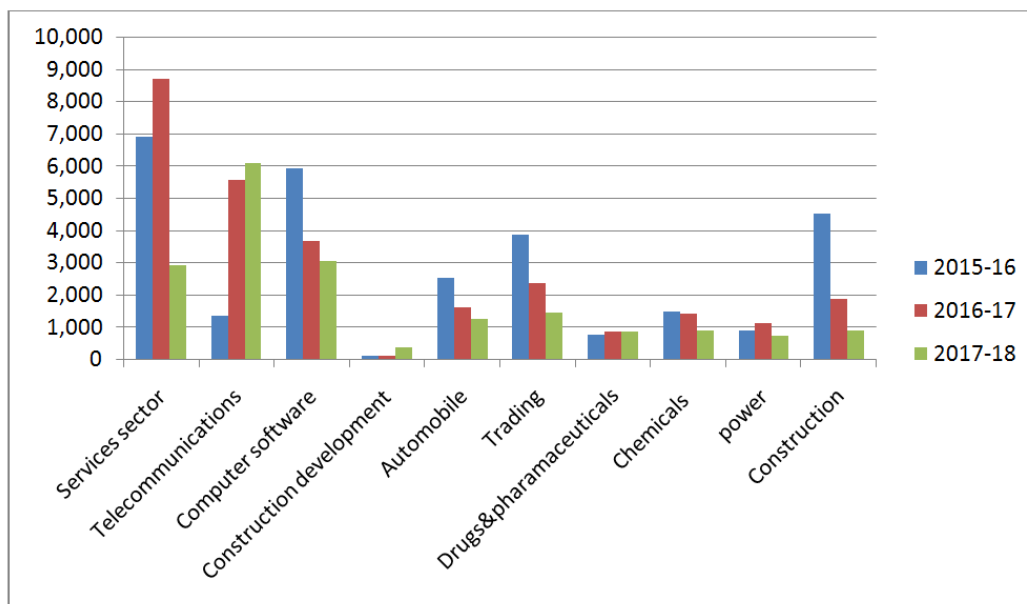
Table3.1: Amount in Rs.Crores (US\$ in Million)

Ranks	Sector	2015-16 (April – March)	2016-17 (April – March)	2017-18 (April 17 – Sep 17)	Cumulative Inflows	% Age to total inflows (in terms of US\$)
1	Service Sector	45,415 (6,889)	58,214 (8,684)	18,788 (2,917)	335356 (62.393)	17%
2	Tele- communications	8637 (1,324)	37,435 (5,564)	38,926 (6,084)	169,090 (30,030)	8%
3	Computer Software & Hardware	38,351 (5,904)	24,605 (3,652)	19,616 (3,045)	156,405 (27,715)	8%
4	Construction Development	727 (113)	703 (105)	2,338 (363)	116,977 (24,656)	7%
5	Automobile Industry	16,437 (2,527)	10,824 (1,609)	7,942 (1,235)	100,160 (17,908)	5%
6	Trading	25,244 (3,845)	15,721 (2,338)	9,358 (1,453)	93,916 (15,664)	4%
7	Drugs & pharmaceuticals	4,975 (754)	5,723 (857)	5,565 (863)	81,385 (15,570)	4%
8	Chemicals	9,664 (1,470)	9,397 (1,393)	5,779 (896)	74,731 (14,190)	4%
9	Power	5,662 (869)	7,473 (1,113)	4,578 (712)	64,665 (12,301)	3%
10	Construction	29,842 (4,511)	12,478 (1,861)	5,688 (883)	66,063 (10,701)	3%

Note: Service Sector includes Financial, Banking, Insurance, Non-financial/ Business, Outsourcing, R& D, Courier, Tech, testing and Analysis.

During April-September 2017, India received the maximum FDI equity inflows from Mauritius (US\$ 11.47 billion), followed by Singapore (US\$ 5.29 billion), Netherlands (US\$ 1.95 billion), USA (US\$ 1.33 billion), and Germany (US\$ 934 million).

Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.



4. Recent trends of FDI in Indian Service Sector

The Indian services sector which includes financial, banking, insurance, non-financial/business, outsourcing, research and development, courier and technical test analysis, has attracted FDI equity inflows in the period April 2000-June 2017, amounting to about US\$ 61.36 billion which is about 17.92 per cent of the total foreign inflows, according to the Department of Industrial Policy and Promotion (DIPP).

Some of the developments and major investments by companies in the services sector in the recent past are as follows:

- UrbanClap, an Indian home services start-up, has raised US\$ 21 million in a series C funding round led by VY Capital, an internet investment fund. The company will use the funds for expansion to more cities, investment in technology and addition of vendors.
- Piramal Finance Ltd, an arm of Piramal Enterprises Ltd, invested Rs 485 crore (US\$ 74.92 million) in the subsidiary of Apollo International Ltd, called Apollo LogiSolutions (ALS), a logistics solutions provider.
- MPAani Solutions Pvt. Ltd, a consumer and retailer data analytics start-up, has raised US\$ 1.35 million in a pre-series A funding round led by IDG Ventures with the aim of deploying capital for scaling technology and data science functions along with spending on marketing and sales.
- FM Logistic Asia, outlined plans of investing around EUR 50 million (US\$ 56.14 million) in India in the next four years, to contribute to a better efficiency of logistics market in the country.
- Caisse de Dépôtet Placement du Québec (CDPQ), Canada's second largest pension fund, plans to invest around US\$ 155 million to acquire a minority stake in TVS Logistics Services Limited, a privately held subsidiary of the TVS Group.

- WNS Global Services has made an announcement to acquire Denali Sourcing Services for US\$ 40 million, with the aim of improving its sourcing and procurement capabilities.
- Uber Technologies Inc plans to launch UberEATS, its food delivery service to India, with investments made across multiple cities and regions, as per Mr Allen Penn, Head, Asia-Pacific, UberEATS.
- International Finance Corporation (IFC), the investment arm of World Bank, plans to invest around US\$ 10 million Bengaluru-based online freight-booking service provider Zinka Logistics, which will be used to expand Zinka's service offerings and further technology development.
- Reliance JioInfocomm Ltd. and Uber have announced a strategic partnership, which will enable Uber riders to pay for their rides using Jio Money.
- The domestic and foreign logistic companies are optimistic about prospects in the logistics sector in India, and are actively making investments plans to improve earnings and streamline operations.

5. Government Initiatives

The Government of India recognises the importance of promoting growth in services sectors and provides several incentives in wide variety of sectors such as health care, tourism, education, engineering, communications, transportation, information technology, banking, finance, management, among others. Prime Minister Narendra Modi has stated that India's priority will be to work towards trade facilitation agreement (TFA) for services, which is expected to help in the smooth movement of professionals.

The Government of India has adopted a few initiatives in the recent past. Some of these are as follows:

- Ministry of Civil Aviation, Government of India, launched 'DigiYatra', a digital platform for air travellers that aims to develop a digital ecosystem providing consistent service and a delightful experience at every touch point of the journey.
- Mr NitinGadkari, Minister of Road Transport and Highways and Shipping, Government of India, launched INAM-Pro's upgraded version, INAM-Pro +, an online platform to bring together buyers and sellers of construction materials, equipment/machinery and services.
- The Indian service sector is expected to facilitate a knowledge based economy, and the manufacturing sector will be dominated by services as a result of servicification of manufacturing, said Ms NirmalaSitharaman, Minister of Commerce and Industry, Government of India.
- The Ministry of Electronics and Information Technology has launched a services portal, which aims to provide seamless access to government services related to education, health, electricity, water and local services, justice and law, pensions and benefits, through a single window.

5. Future Prospects in Indian Service Sector

Services sector growth is governed by both domestic and global factors. The Indian facilities management market is expected to grow at 17 per cent CAGR between 2015 and 2020 and surpass the US\$19 billion mark supported by booming real estate, retail, and hospitality sectors. The performance of trade, hotels and restaurants, and transport, storage and communication sectors are expected to improve in FY17. The financing, insurance, real estate, and business services sectors are also expected to continue their good run in FY17.

The implementation of the Goods and Services Tax (GST) would create a common national market and reduce the overall tax burden on goods. It is expected to reduce costs in the long run on account of availability of GST input credit, which will result in the reduction in prices of services.

6. Conclusion

India ranks fifteenth in the service output and it provide employment to around 23% of the total workforce in the country. During last one year, the government has radically liberalized FDI regime by easing norms for a host of important sectors such as Defence, Civil Aviation, Pharmaceuticals, Private Security, broadcasting services etc to boost FDI investment. It is heartening to note that India is called the service hub of the world because of huge FDI inflows. To sum up the present paper it provides a brief overview of performance, prospects encountered by the service sector in India's Economy.

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Make in India - Trend Setter in Foreign Direct Investment Inflow

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Abstract

Make in India is an inspiring and vibrant slogan among every sector in India. Make in India emerged from Swadeshi movement covering 25 sectors of economy. Government of India has announced Make in India in 2014 to encourage companies to manufacture their products in India. As per current policy, 100 per cent foreign direct investment is permitted in all the 25 sectors, except for space (74 per cent), defense (49 per cent) and news media (26 per cent). It is a comprehensive and unique program to renovate the outdated processes and policies. This is a kind of invitation to foreign companies to witness the large demographic market, various natural resources and skills that are available in India. This will indirectly hit the foreign direct investment inflow. The Make in India move is an economic event which explores new avenues and trends in FDI in recent years through its Ease of Doing Business procedures. This paper is to analyse how Make in India is the trend setter in foreign direct investment inflow and evaluate the reasons behind it.

Keywords: *Comprehensive, Make in India, policy, reforms, unique*

1. Introduction

Make in India is a major national initiative which facilitates the FDI inflow in many sectors. It enhances the skill development and built best-in-class infrastructure for manufacturing units by attracting FDI through many key features of this policy. It was witnessed that the FDI inflows after the announcement of Make in India Policy was almost 40 per cent because there was a huge platform for promoting manufacturing sectors. The motive behind this scheme was to reduce unemployment and elevate the skills in various segments of the Indian economy. It pushed up the rate of FDI inflows by 87 per cent during 2014-2016 with the aggregated value of US\$2.22 billion. Through its friendly investment schemes, India has proved as one of the fastest growing economies of the world.

The government has taken initiatives by simplification procedures to attract the FDI inflows gear up the velocity. This paper analyzes the FDI inflows, the recent trend setter industries under Make in India scheme.

2. Review of Literature

Boopath (2013) revealed that the press council of India has commented on synergic alliance or equity participation by way of Foreign Direct Investment. He opined that FDI should be

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allowed to break or halt the growing monopoly of few media giants in India who offer uneven playground and unhealthy competition to small and medium papers.

S.Soundhariya (2015) the article entitled "Make in India-scheme for transforming India "The paper discusses about Make in India scheme, its opportunities, challenges, changes needed and some examples of different investors invested so far. The study found that, Make in India campaign surely makes India an investment destination and global hub for manufacturing and innovation.

Narayana (2012) explains that one of the major concerns of planners and policy makers in India is attracting more and more Foreign Direct Investment. He analyzed the Foreign Direct Investment and its flow into India. He highlighted the basic constraints to investment in general and FDI in particular.

3. Objectives of the Study

1. To study the trend setter sectors in Make in India on FDI inflow
2. To study the Ease of Doing Business scheme
3. To study the initiative taken by the government in Make in India

4. Research Methodology

This study is based on secondary data. The data has been collected from various sources like Government of India, Research articles, various economic bulletins; records form Ministry of Commerce and legitimate websites.

5. Trend Setters of Make in India on FDI Inflow

Make in India identified 5 super trend setter industries which are boosting the Foreign Direct Investments in India.

The above table 1 revealed that there are six industries which attracts foreign direct investment after the Make in India launched. The following are the 5 super stars in FDI boosters in Make in India scheme.

Service Sector: It shows that the service sectors are boon for the investment inflows. It has the highest growth amounted to 17%.which was 2,225 US\$ during2013-14 and 2014-15 it was raised 3253 US\$.

Construction Development: It shows that there was a considerable push in the inflow of investment. The cumulative inflow was 24, 098, it was the second highest share amount to 9%. There were 1,226 US\$ hike during 2013-14 post the launch of Make in India initiative.

Computer Software and Hardware: there was a significant growth during 2014-15 2,200 US\$ in this sector and the total hit on the share was 7% in the FDI inflow.

Table 1 Trend setters of Make in India

SECTORS ATTRACTING HIGHEST FDI EQUITY INFLOWS:						
Ranks	Sector	Amount in Rs. crores (US\$ in million)				
		2013-14 (April - March)	2014-15 (April- March)	2015-16 (April, 15 - June, 15)	Cumulative Inflows (April '00 - June '15)	% age to total inflows (in terms of US\$)
1.	SERVICES SECTOR **	13,294 (2,225)	19,963 (3,253)	4,036 (636)	209,578 (43,350)	17 %
2.	CONSTRUCTION DEVELOPMENT: TOWNSHIPS, HOUSING, BUILT-UP INFRASTRUCTURE	7,508 (1,226)	4,582 (758)	216 (34)	113,355 (24,098)	9 %
3.	COMPUTER SOFTWARE & HARDWARE	6,896 (1,126)	13,564 (2,200)	16,245 (2,556)	89,481 (17,575)	7 %
4.	TELECOMMUNICATIONS (radio paging, cellular mobile, basic telephone services)	7,987 (1,307)	17,372 (2,895)	2,517 (395)	86,609 (17,453)	7 %
5.	AUTOMOBILE INDUSTRY	9,027 (1,517)	15,794 (2,570)	6,914 (1,094)	70,906 (13,477)	5 %
6.	DRUGS & PHARMACEUTICALS	7,191 (1,279)	9,211 (1,523)	1,370 (215)	66,652 (13,336)	5 %
7.	CHEMICALS (OTHER THAN FERTILIZERS)	4,738 (878)	4,077 (669)	1,598 (251)	50,909 (10,588)	4 %
8.	POWER	6,519 (1,066)	3,985 (657)	1,717 (271)	48,357 (9,828)	4 %
9.	TRADING	8,191 (1,343)	16,962 (2,761)	5,679 (897)	49,479 (8,958)	4 %
10.	METALLURGICAL INDUSTRIES	3,436 (568)	2,897 (472)	845 (133)	41,992 (8,680)	3 %

Source: FDI Factsheet

Automobile Industry: India has established itself as a prime destination for automobile sector. 2,570 US\$ was increased during the year 2014-15 and its total inflow share is 5%

Drugs and Pharmaceuticals: the widespread availability of raw materials and the presence of a highly skilled workforce have catapulted India in the global pharmaceuticals supply chain. The growth rate was 1,523 US\$ during 2014-15 and its share in total inflow amounted to 5% equal to automobile sector.

Ease of Doing Business-FDI Inflow

In 2014 India launched Make in India an ambitious program of encouraging foreign investors doing business in our land. Under this scheme it introduced a regulatory reform aimed at making easier to do business in India which known as Ease of Doing Business (EODB). This program create a more business friendly environment aimed at decreasing number of procedures and time taken to start business. This yielded substantial result with India jumping 4 places on the World Banks "Doing business ranking. India holds the rank of 8 in protecting the minority interest of the investors among 189 countries. This key factor open up new avenues of opportunities and create confident among the foreign business institutions and attract the Foreign Direct Investment inflow in India. Ease of doing business is a mile stone in the FDI inflow. The below Table 2 reveals the growth rank has been reached from 142 in 2014 to 100 in 2018 which is the remarkable achievement.

Table 2 Ease of Doing Business-FDI Inflow

YEAR	2014	2015	2016	2017	2018
INDIA'S EODB RANKING	142	134	130	131	100



Impact on FDI Inflow post Make in India

The below Table 3 shows the total growth of FDI was 23 per cent after the initiative of Make in India scheme under the study. There was significant revolution in FDI inflow from foreign investors through its business friendly environment. The FDI raised 40,923(2014-15) US\$ from 5,009US\$ (2013-14) after the launch of Make in India. Pre-launch of Make in India the FDI inflow during 2000 was 2, 339US\$, and it hiked 24,299US\$ in 2013-14 and 30,933US\$ in 2014-15 after the launch of Make in India initiative by the Government of India on September 2014.

6. Initiative by the Government

1. Simplified investment norms for several sectors, including railways, defense, insurance and medical devices.
2. Digitizing regulatory process, along with various other state-specific initiatives.
3. Promotes domestic industry, restricts imports, create local jobs and results in conversing valuable foreign exchange.
4. An Investor Facilitation Cell was set up to assist investors seeking regulatory approvals and after- care support.
5. Enhancing skill development and protect intellectual property.
6. Technical incubation centers, a 'Zero Defect' approach and schemes to subsidized investment and raw materials through National Small Industries Corporation.
7. Government of India building a pentagon on industrial corridors across the country to provide developed land and quality infrastructure for Industrial Township.

Table 3 FDI India

S. No.	Financial Year (April-March)	FOREIGN DIRECT INVESTMENT (FDI)					Investment by FII's / Institutional Investors Fund (net)	
		Equity		Re-invested earnings +	Other capital +	FDI FLOWS INTO INDIA		
		FIPB Route/ RBI's Automatic Route/ Acquisition Route	Equity capital of unincorporated bodies #			Total FDI Flows		%age growth over previous year (in US\$ terms)
FINANCIAL YEARS 2000-01 to 2015-16 (up to JUNE, 2015)								
1.	2000-01	2,339	61	1,350	279	4,029	-	1,847
2.	2001-02	3,904	191	1,645	390	6,130	(+) 52 %	1,505
3.	2002-03	2,574	190	1,833	438	5,035	(-) 18 %	377
4.	2003-04	2,197	32	1,460	633	4,322	(-) 14 %	10,918
5.	2004-05	3,250	528	1,904	369	6,051	(+) 40 %	8,686
6.	2005-06	5,540	435	2,760	226	8,961	(+) 48 %	9,926
7.	2006-07	15,585	896	5,828	517	22,826	(+) 155 %	3,225
8.	2007-08	24,573	2,291	7,679	300	34,843	(+) 53 %	20,328
9.	2008-09	31,364	702	9,030	777	41,873	(+) 20 %	(-) 15,017
10.	2009-10	25,606	1,540	8,668	1,931	37,745	(-) 10 %	29,048
11.	2010-11 (P)	21,376	874	11,939	658	34,847	(-) 08 %	29,422
12.	2011-12 (P)	34,833	1,022	8,206	2,495	46,556	(+) 34 %	16,812
13.	2012-13 (P)	21,825	1,059	9,880	1,534	34,298	(-) 26 %	27,582
14.	2013-14 (P)	24,299	975	8,978	1,794	36,046	(+) 5 %	5,009
15.	2014-15 (P)	30,933	952	8,983	3,423	44,291	(+) 23 %	40,923
16.	2015-16 (P) (Apr - June 2015)	9,508	223	2,059	572	12,362		(-) 1,642
CUMULATIVE TOTAL (from April, 2000 to June, 2015)		259,706	11,971	92,202	16,336	380,215	-	188,949

Source: (i) RBI's Bulletin July, 2015 dt.10.08.2015 (Table No. 34 – FOREIGN INVESTMENT INFLOWS).

(ii) Inflows under the acquisition of shares in March, 2011, August, 2011 & October, 2011, include net FDI on account of transfer of participating interest from Reliance Industries Ltd. to BP Exploration (Alpha).

(iii) RBI had included Swap of Shares of US\$ 3.1 billion under equity components during December 2006.

(iv) Monthly data on components of FDI as per expended coverage are not available. These data, therefore, are not comparable with FDI data for previous years.

(v) Figures updated by RBI up to June, 2015.

(vi) Data in respect of 'Re-invested earnings' & 'Other capital' are estimated as average of previous two years.

Figures for equity capital of unincorporated bodies for 2010-11 are estimates. (P) All figures are provisional

Source: FDI Factsheet

7. Findings

- Service sectors, construction, computer software & hardware, automobile and Drugs and pharmaceuticals' industries are the new trend setters in FDI inflow in Make in India scheme.
- Inspire confidence in India's capabilities amongst potential partners abroad.
- It promotes employment opportunity and entrepreneurship development.
- Due to foreign investment GDP raised and there is a foreign currency inflow.
- Self-dependency by own venture is the key element of Make in India Scheme.
- This initiative enhancing standard of living.

8. Suggestions

- The government must invest and more in developing truly skilled graduates not just degree holders.
- Employees are encouraged and expend their skill through various training and development programme.
- To facilitate liberal taxation policy.
- Commitment to manufacture new innovative products not just meeting manufacturing excellence to capture the global market.
- Avoid focusing on short time economic benefit.

9. Conclusions

“The lion on the move” Make in India as a major national initiative to boost manufacturing and investment in India, Make India ushered multiple reforms in the sphere of foreign direct Investment, thus rendering positivity to the investment climate in India. The country witnessed substantial increase in FDI with USD161Billion FDI during April 2014-2017.It gives the Global recognition to the Indian Economy.

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Turnover Intention among Bank Managers – Sources and their Effects: An Empirical Study

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Abstract

This study aimed to explore the impact of pay, working condition, stress and commitment on turnover intention of bank managers in commercial banks. One hundred and thirty eight bank managers drawn from 116 branches of both public and private sector banks in Madurai responded to a standardized questionnaire to measure the independent variables and dependent variables. The respondents are ranked good salary, job safety and place for career growth are most important in the banks, along with opportunities for growth, salary, and work atmosphere were the top factors which are reasoned for the respondents' to stay. On the other hand unequal pay, sudden transfers and inadequate incentives in banks make the employees to leave from their working places. Analysis of data with multiple regression revealed a significant negative effect of pay on turnover intention ($\beta = -0.276$, $P < 0.05$) and a significant negative influence of working condition on turnover intention ($\beta = -0.218$, $P < 0.05$). But no significant effect of job stress and commitment was perceived on turnover intention ($\beta = 0.128$, $P > 0.5$; $\beta = -0.114$, $P > 0.5$). The findings of the study were discussed based on the results on pay, working condition, job stress, employees' commitment, and turnover intention of the bank managers.

Keywords: Pay, Working condition, Job stress, Commitment, Turnover intention

1. Introduction

Employee's turnover has been a popular research area in the management literature for decades. All the organizations are concerning employee turnover as a critical issue due to the cost of time and money needed to addressing this issue, among other components. (Singh and Loncar, 2010). The amount of employee turnover has been predominantly mounting concern to the employers, researchers and academicians, not just in IT and BPO industries but also in the banking sector. Turnover intention of the employee has become a crucial issue because of so many reasons.

First, it has financial costs as when employees leave, cost involved in recruiting and training the exited employees and also the same cost is involved to recruit the new employees.

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Secondly, employees' quit may disturb the productivity of the organization, and also cultivates a sense of disturbance in the workflow at the workplace which may cause problems to the attitude of managers and employees. The present study seeks to address the employee turnover issue and the reasons behind that issue like the role of pay, working condition, job related stress and commitment of the employees. It also aims to find out the relationship among the variables. The findings of this study would be helpful to understand the job-hopping problem in banking sector among the managers and helps to think over the policies by strategic planners.

2. Literature Review

Price (1977) stated that the employee turnover is the ratio between the number of employees left from the work place and the average number of employees in the certain period. Employees' turnover intention is defined by Mobley (1979) as it is a rational process of thinking, planning and intending to leave a job. According to Carmeli and Weisberg (2006) the turnover intention refers to three particular perspectives in the withdrawal process from an organization i.e. thinking to quit the job, searching for alternative job, and it is fixed then intending to quit the job. Employee's turnover, simply saying, it is a permanent movement of an employee away from the boundary of his current organization (Rahman, 2012).

The pay dissatisfaction will decrease the level of commitment and will act as a catalyst of turnover (Greenberg, 1990). Employees are not satisfied with pay, it will reduce the employees' commitment, and will lead to quit from the job (Currall et al., 2005). Many of the research studies are insisted as an adverse association between pay and turnover intention (Williams, McDaniel and Nguyen, 2006; Dailey and Kirk, 1992; Motowildo, 1983 etc.). The study conducted by Koh and Goh (1995) among bank employees reported that the working condition has a negative association with turnover intention. When workers feel that the working atmosphere is good, they will like to work more on that place (Bula, 2012).

Job stress has been considered as other serious occupational hazards of that will cause turnover (Delay and Perfill, 1996). The occupational stress is the major reason for the organizational problems like job dissatisfaction, high burn-out, poor commitment and lead high turnover intention among the employees (Jamal, 1984; Jamal, 1985; Jamal and Bada 1995). Organizational commitment yet another important driver for turnover refers to an attitude or a psychological state of mind, which links the personal identification of the employees with the organization (Salleh, Nair and Harun, 2012). The committed employee parades more creativity and innovation and have higher intention to be a part of the organization for long time (James, Madupalli, Brian and John, 2007). Researches evident that organizational commitment produces a negative impact on turnover intention significantly (Chen and Francesco, 2000; Loi, Hang-Yue and S. Foley, 2006).

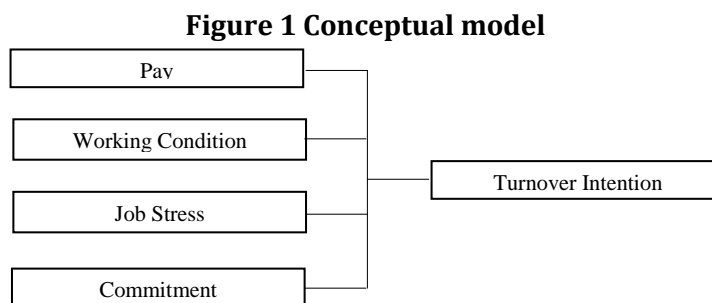
3. Research Objectives

The objectives of the present study are,

- To assess the causes for turnover intention in Managerial level of employees of commercial banks
- To assess the conceptual model based on the results of this research to understand the relationships between employee turnover intention and the factors influencing turnover intention.

4. Theoretical Frame work

Based on the lights of review of literature the theoretical framework (Figure 1) and hypotheses have been developed as presented below.



5. Research Hypothesis

The study hypothesis are,

- H0₁: There is no significant relationship between pay and turnover intention
 H0₂: There is no significant relationship between working condition and turnover intention
 H0₃: There is no significant relationship between job stress and turnover intention
 H0₄: There is no significant relationship between commitment and turnover intention.

6. Research Design and Methodology

The main aim of the study is to explore the level of turnover intention among bank managers and to find out various reasons behind the problem. So, the study is primarily descriptive in nature. Both primary and secondary data are used for the study. The population of this study is the bank managers in Madurai involving both public sector and private sector banks. There are 23 nationalized banks and 14 private banks are in the study area and over all 116 branches of both sector banks A scheduled questionnaire was prepared and through that the responses have been collected from 138 bank managers who are currently working in different branches of commercial banks in Madurai.

The questionnaire is prepared in such a way that the respondents disclose their perceptions and opinions on turnover intention. To measure the level of perception towards pay and working condition, the scale of 'Index of Organizational Reactions Questionnaire' devised by Smith (1976) was used. Job stress is measured by the scale prepared by Tate, Whatley and

Clugston (1997), the organizational commitment was measured with shorten version of Porter, Steers, Mowday, and Boulian (1974) scale and the items to measure turnover intention are adopted from Cammann, Fichman, Jenkins, and Klesh (1979) turnover intention scale.

7. Reliability

Scale reliability was tested using Cronbach's alpha method (coefficient alpha), giving a measure of how well a set of manifest indicators measure the scale. The coefficient value can range from 0 to 1, and, Nunally (1978) suggests that an alpha value of 0.7 is acceptable for exploratory research.

Table 1 Reliability Coefficient

S. No.	Construct	N of Items	Cronbach's Alpha
1	Pay	7	0.896
2	Working condition	4	0.701
3	Job stress	4	0.823
4	Commitment	8	0.895
5	Turnover Intention	3	0.823

The reliability coefficients for the nine constructs employed in the study exceed the minimum threshold value of 0.7 suggested by Nunally (1978), which ensures that the scale is reliable for use.

8. Data Analysis

The collected data was fed into SPSS software for data analysis. Various statistical techniques like Friedman's test, multiple correlation and multiple regression were used to infer the collected responses.

9. Most Important Factor in Work Place

The respondents of the study have ranked the factors which are most important in the banks. For that 5 factors are listed with open ended option. The non-parametric test of Friedman's K-related sample was used to determine whether respondents had a differential rank ordered preference for the five most important factors in the work place. The results of those data are listed in the below table.

Table 2 Friedman's Test Results of Most Important Factor in Work Place

Mean rank	Variable	Rank
2.88	Work timings	IV
3.25	Feedback	V
2.62	Good salary	I
2.74	Job security	II
2.78	Place of career growth	III
N: 138	Sig. 0.000	

The respondents ranked good salary as first priority, job security as second, and place for career growth as third priority. Work timings and feedback are of less importance to managers of the commercial banks.

10. Factors Ensuring the Managers to Stay

The study listed 7 items and asked the respondents to rank according to them based on the priority of which are needed to retain the employees. Friedman test is used to determine whether there are differences between ranks. The output of the test is given in the **Table 3**.

Table 3 Friedman's Test Results of Factors Make to Stay

Mean rank	Variable	Rank
3.43	Benefits	IV
3.94	Co-workers	V
2.36	Opportunities for growth	I
4.10	location that near home	VII
3.06	Work atmosphere	III
2.83	Salary	II
3.68	Work timings	VI
N: 138		Sig. 0.000

The result of this study is shown that there was a differential rank ordered preference for the factors that make the employees to stay in the current working place. Since providing opportunity for growth of the employee is the ultimate strategy to retain the employee. Salary, work atmosphere, benefits, co-workers, work timings, and location near home are other important factors for the employees' stay.

11. Reason for Leaving

There are 7 reasons were listed regarding the reasons behind why employees are leaving their banks. The respondents were requested to give ranks to the factors which are the most responsible and the next most responsible for the employee's to leave. Friedman test is used to determine whether there are differences between ranks.

Table 4 Friedman's Test Results of Factors Make to Leave

Mean Rank	Variable	Rank
2.92	Sudden transfers	II
3.12	Inadequate incentives	III
3.51	Lack of good interpersonal relationship	V
3.53	Lack of basic facilities	VI
3.54	Lack of recognition	VII
2.71	Unequal pay	I
3.37	Job stress	IV
N: 138	Sig. 0.000	

The test shows that, majority of the respondents stated that unequal pay is the major reason behind the employee turnover. Sudden transfer took second place followed by inadequate incentives, job stress, lack of good interpersonal relationship, lack of basic facilities and lack of recognition.

Correlation Analysis

Correlation analysis is used to measure the degree of association between pay, working condition, job stress and commitment which is presented in the following table.

Table 5 Correlation Coefficient

	1	2	3	4
1. Pay	1			
2. Working Condition	0.310**	1		
3. Job Stress	0.503**	0.577**	1	
4. Commitment	0.550**	0.511**	-0.566**	1

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

The correlation analysis found that there is a degree of relationship between the above variables with low probability of error. It is clear from the table the r values reveal that there are positive relationships between pay and Organizational commitment ($r=0.550$, $p=0.000$), working condition and Organizational commitment ($r=0.511$, $p=0.000$). But the stress in the work place has a negative relationship with organizational commitment ($r=-0.566$, $p=0.000$).

Regression Analysis

To determine the extent and significance to which the independent variables influence the dependent variable, multiple regression analysis was carried out.

Table 6 Regression Model Summary

Model	R	R ²	Adjusted R ²
1	0.52	0.25	0.25

b. Predictors: (Constant), Pay, Working condition, Job stress, Commitment

Model summary is shown in Table 6. Value of R square is 0.52, which shows that around 52% variation in turnover intention of bank managers due to the independent variables like pay, working condition, job stress and organizational commitment.

Table 7 ANOVA statistics

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	103.74	4	25.93	4.34	0.002
	Residual	793.99	133	5.97		
	Total	897.73	137			

Dependent Variable: Turnover Intention

Predictors: (Constant), Pay, Working condition, Job stress, Commitment

ANOVA was carried out to find the overall strength of the model. The value of F is 4.34, which shows that the model is highly significant.

Table 8: Regression coefficients

Model		Unstandardized		Standardized	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.14	1.42		9.21	0.000
	Pay	-0.276	0.04	-0.26	-2.62	0.010
	Working condition	-0.218	0.10	-0.21	-2.07	0.040
	Job stress	0.128	0.08	0.12	1.13	0.257
	Commitment	-0.114	0.05	-0.10	-0.25	0.801
<i>b. Dependent Variable: Turnover intention</i>						

On the basis of Beta coefficients the model shows that pay influences 27% of negative variation in bank managers' turnover intention with the t value of -2.62 which is significant. So the study rejected the research hypothesis (H_{01}) and accepts the alternative that there is a significant negative relationship between pay and turnover intention. Working condition causes 21% of negative variation in managers' turnover intention. Hence the t (-2.07) is also significant. Therefore the hypothesis (H_{02}) is rejected and there is a significant relationship between working condition and turnover intention. Stress causes 12% variation in turnover intention in positive direction but t value (1.13) is not significant. Hence the research hypothesis (H_{03}) is accepted that there is significant influence of job stress on turnover intention. Commitment effects 11% variation on turnover intention in negative direction with the t value (-0.25) is insignificant. The study accepted the hypothesis (H_{04}) that there is no significant influence of commitment on turnover intention of bank managers.

12. Discussion and Conclusion

The study was made to find out the importance factors that leads turnover intention in employees at managerial level of commercial banks. The research was conducted on both public sector and private sector employees in Madurai. Research hypothesis are formulated to test the influence of independent variables on dependent variable. By applying appropriate statistical tools, it is found that pay and working condition are causing turnover intention among the bank managers significantly. The remaining two variables like job stress and commitment are not significantly influence the turnover intention. Two hypotheses are accepted and two are rejected. Pay and working condition has negative association on turnover intention significantly. Job stress shows positive association with turnover intention and organizational commitment has negative association with turnover, but both are highly insignificant.

The respondents have ranked good salary as first, job safety as second and place for career growth as third factor that are most important in the banks. Opportunities for growth, salary,

and work atmosphere were the top three factors which are encouraging the respondents to stay in their organization. Further it is found that unequal pay among the peers, sudden transfers and inadequate incentives in banks make the employees to leave from their working places.

From the above findings the study can infer that the policies should be focused on ensuring a working place for rapid career growth, job security, work atmosphere and taking care of pay and perks for retaining the managers in the banks. Managers have taken a decision to quit their jobs for unequal pay, unsolicited transfers, and lack of motivation in terms money like bonuses and incentives. So the HR policy can also take care of these issues shared by the respondents towards the phenomenon 'turnover intention'.

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Impact of GST on the Working of Rural India - A Study Assessing the Impacts of the New Taxation System on Business Sector in Lower Himachal Pradesh

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Abstract

GST is one indirect tax for whole nation, making India one unified common market. GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. Different stake holders to the legislation have prospered different effects from the act. For business and industry, it will enhance Easy compliance, Uniformity of tax rates and structures, Removal of cascading, improved competitiveness, etc. For Central and State Governments, it will make them easy to administer better control tax leakage and increase revenue efficiency. For the consumers, it will brings a single and transparent tax proportionate to the value of goods and services purchased and gives them relief in tax burden. Still there is chaos in the market that how the act will impact the business and the myths are well affecting the business activity. In order to statistically test the impact, a small study has been conducted covering 100 Merchants and Vendors from the region of lower Himachal Pradesh, including different locations in the districts of Una, Bilaspur, Mandi, Hamirpur, Dharamshala have been surveyed from the region, supplemented by descriptive views of twenty five auditors / financial and legal advisors of the said region. Convenience sampling with a blend of snowball sampling has been used for the purpose. Various techniques of analysis including factor analysis and Discriminant analysis have been used for the purpose of analysis and hence interpretation. The results suggest that there is an excessive need of education towards the act to prevent afraid reaction and boost a smooth flow of business activity, which has been well interrupted after the introduction of the legislation. The study is useful to judge the impacts of the new taxation in the region, suggesting way out to succeed the business activity.

Keywords: Rural Indian Economy, Indian Indirect Taxation, GST and Unorganised Sector

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1. Introduction

“Tax is a compulsory contribution by a person to the society”-*Anonymous*

Goods & Services Tax or GST is a Multi Stage Consumption Tax, paid on Business Inputs. Internationally, New Zealand’s GST system is acknowledged as a well-designed indirect tax, influencing the design of indirect taxes put in place in other countries. France introduced it first, in world in 1954 (Single Tax System). Brazil and Canada has a dual tax model (State-Centre). There are around 160 nations in world already having GST implement (Bandyopadhyay, 2017; PAD,1999).

In December 2010, European Commission published a Green Paper on the future of VAT and argued that there were “numerous shortcomings in the current VAT system which create obstacles to the Internal Market, cause burdens for businesses and prevent Member States from benefitting from the true potential of this tax” and also pointed out the system is susceptible to fraud. Country case studies regarding GST reflect that socio-economic conditions of countries differ; hence, a GST framework successful in any particular country may not necessarily be successful in other countries. Although GST has many administrative, compliance and other benefits, but how much it would be suitable in the socio-economic context of the Indian economy is a matter of debate. It is well observed that GST is particularly suitable for countries with homogeneous commercial and demographic features. The socio-economic conditions of the States in India are much different than the countries of the European Union. Hence, it is argued that before implementing GST there should be a clear consensus whether there would be a net benefit for the Indian economy and/or whether Indian economy is ready to absorb the benefits of the GST regime (Bandyopadhyay, 2017).

India implemented it only this year, having a Combination (SGST-CGST / IGST). In 2006-07, the proposal for GST was first mooted in the Budget Speech. 115th Constitutional Amendment Bill in Lok Sabha was put for the same on 22 Mar, 2011, which was not gone ahead. The Constitution (122nd Amendment) Bill presented in Lok Sabha on 18 Dec, 2014 was a next action towards it. It got passed by Lok Sabha on 6th May, 2015 and presented further to Rajya Sabha, but was moved for a revival to the parliamentary committee. The bill then again got passed by Lok Sabha on 22 Jul, 2016. It got passed by Rajya Sabha on 3 Aug, 2016 and got assented by Hon’ble President of India on 8th September 2016. Unlike Earlier Taxes, the time of supply of goods and services is the taxable event of Goods and Services Tax. We in India even after having a decade full of debates and bill revival, are facing a lack of proper implementation and reorganization (Deloitte, 2015; Dimri, 2017; ELP, 2016; Garg, 2014; Goyal, 2017; Kanda and Handa, 2017; PS&A, 2017). In order to statistically test the impact, a small study has been conducted covering 100 Merchants and Vendors from the region of lower Himachal Pradesh, including different locations in the districts of Una, Bilaspur, Mandi, Hamirpur, Dharamshala have been surveyed from the region, supplemented by descriptive views of tax advisors in region.

2. Literature Review

Being a recent policy decision, there are a few recent studies that investigated the Impact of GST in India. The literature found in this regard is as follows:

Bandyopadhyay (2017) giving a view on indirect taxation in India, comments that India has witnessed a number of reforms in indirect taxes over the last two decades with the replacement of State Sales Taxes by Value Added Tax (VAT) in 2005 marking a watershed in this regard and prior to the implementation of VAT, the indirect tax structure in the country was problematic due to the "cascading effect", i.e., an item taxed more than once. He asserts that exporters were becoming less competitive bearing relatively higher input costs through sales tax – reflected in higher prices as compared to global ones. He further asserts that on shortcomings being noticed in the VAT structure, efforts have been made to rationalise the system. Even with regard to the earlier Service Tax, It has been pointed out by him that there is lack of clarity in existing definitions pertaining to service tax. GST was proposed to overcome those shortcomings. He commented that "considering both the aspects of fiscal federalism as well as State revenue implications, a single rate is not feasible in India". As per him, given the vertical inequality of State Governments relative to the Central Government and horizontal inequality among State Governments in India, i.e. the inequality in revenue mobilisation capacity, a single rate of GST is difficult to implement in the absence of compensation for States for incurring revenue loss. He argues that GST operates very successfully in New Zealand because of its long settled consultative process, a low uniform rate and zero exemptions. He admits that it took time there also to convince economic agents about the necessity of zero exemptions. As per him, in the context of India, more time should be provided to sort out issues. He recommends the consultative processes pertaining GST as important even taking time.

Deloitte (2015) reviewing the indirect taxation across world reaffirms that nations across globe are employing VAT as a preferred form of consumption tax. It comments that VAT/GST have been introduced for different reasons in different nations depending on their existing tax and EU introduced it to replace turnover taxes to ease handling cross border-transactions, facilitating development of common market and reducing trade-economic distortions. Another reason of countries adopted was to increase revenue from general consumption, resultantly reduce income taxes. Revenue neutral approach being another reason (Norway, New Zealand etc.). Review of the indirect tax prevailing in the above jurisdictions, a similar trend has been observed in underlying principles. The tax being destination based and applicable on consumption in the respective place, exempts exports and taxes imports. The tax reform has proved to be a robust source of tax revenue. In India, earlier indirect tax structure empowered levy of taxes by Central government on manufacturing of goods and supply of services like Customs duties, Central Excise duty, Service tax etc; and State governments on goods at point of sale such as state VAT, Entry Tax, Octroi etc. Multiplicity of taxes and tax base resulted in a complex system leading distortions, cascading and adverse effect on the GDP. Some limitations

of prevailing Indirect tax structure were: CENVAT not considered tax value addition post production; CENVAT portion of input goods included in value of goods taxed under State VAT contributing to cascading; No integration of VAT on input goods with service tax on services at the State level, causing cascading. The New GST Act is consumption type VAT where only final consumption is treated as the final use of a good. Suppliers at each stage will be permitted to set-off the GST paid on the purchase of input goods and services against GST to be paid on the supply of goods and services.

Dimri (2017) addresses GST as the significant indirect tax reform in Indian history. He asserts that it will impact each commercial / business activity. He prospects that Tax administration system will undergo significant functional change and it will make indirect tax environment more simple, stable and predictable. Summing up the Key Implementation Challenges, he address it as a Supply based taxation, whereas differentiation originates at: Taxability of inter-unit transfers; Job-work/ tolling arrangements; Determining consumption state; Determining origin state (to levy additional tax); Taxing jurisdiction in case of chain transactions; Taxation of imports. He stresses on the Need for a pragmatic and business friendly approach. As per him, In case of Place of supply rules, special focus is required for service sector. He comments that determination of taxable threshold, i.e., 10 lakhs vs. 25 lakhs had have significant impact on tax paying base. As per him, Variation in GST rates, i.e., difference in SGST rates likely to pose immense challenge. He comments that defining the valuation principles, we need to ensure non repeating FIAT like experience. He also argues for a better Characterization of borderline transactions, i.e., how the categorization, which comes under the purview of such taxation, will be covered, e.g., works contracts, intangibles, lease, software etc. As per him, there is a need of synchronization with foreign trade benefits and a simplified taxation structure for very small & large tax payers. As per him, the transitional challenges to GST includes Phased transition, i.e., Some products / sectors (petroleum, liquor) may be kept outside to begin with; Fate of investment linked incentives, i.e., Whether the investment linked indirect tax benefits presently extended by several states would be continued under the proposed GST regime; Transition of opening credits, i.e., Tax credits pertaining to the present indirect tax regime will require seamless transition; Additional tax, i.e., Credit eligibility and Applicability on imports. He recommends that there is a need of Admin and infrastructural preparedness concerning personnel, systems and network. Personnel needs to be Trained accordingly and there is a need to Define procedures and processes. Systems need to be Aligned with the new levy with proper upkeep and maintenance. Network needs real time coordination between various stakeholders. As per him, challenges likely come forward to enforcement agencies may include: Managing risk of GST fraud; Training needs; Robust GSTN and online compliances; Coordination between state & central departments; Taxation of services by States; and Role of customs authorities. He suggests that challenges likely to tax payers may include Transaction restructuring, New Records and Accounting, Transition, Re-designing of the entire ERP, Costing / Pricing of goods, and Compliance. As per him,

transaction restructuring challenges may include: Transaction structuring to be reviewed; Procurement pattern and trading models to be analyzed – No significant difference between local and interstate under GST Billing patterns, local vis-à-vis interstate to be reviewed. He suggests that records/ accounting challenges may include: State-wise sales records; Credit availability and utilization records. As per him, transition challenges may include: Transition of credits; New registrations; Change in contract clauses; Review of procurement costs; Taxability of transactions spread across regimes; Treatment of tax paid inventory Re-designing of the entire ERP challenges may include: Current ERP is aligned as per the current taxes; Change in accounting; Re-defining the logics; Updating masters. He thinks that costing / pricing of goods challenges may include: Overall pricing of goods – factoring of GST credits; Change in rate of taxes. Compliance challenges may include: Tax computations; New formats for invoices / records/ returns/ declarations; Validity of statutory form; Manner of payment of taxes; New compliance dates; Documentation for movement of goods. He opined that With current level of preparedness April'16 timeline looks a daunting task. However, with increasing global focus on India as investment base market, no room for postponing this critical indirect tax reform. A well planned and coordinated approach between policy makers, enforcement agencies and industry critical to achieve the timeline.

ELP (2016) comments that the model law has made a laudatory attempt to codify the existing indirect tax provisions under Customs law, Central Excise law, Service tax law, VAT laws, etc. Notably, some of the very latest amendments introduced as recently as in the Union Budget 2016-17 have found their way into the model law. And, it is also significant that certain new concepts that the GST, by its nature, necessitates have been introduced and varied scenarios/ transactions have been envisaged and legislatively addressed. Industry must endeavour that an impactful contribution to the shaping of the GST law is made at this critical juncture, so as to transition to a statutory framework that is expected to govern all aspects of the levy (on all transactions) for the foreseeable future. The important challenge will lie in ensuring that States adopt and enact the model law in its fullest form, to ensure uniformity of the levy and its consistent administration, as also the concept of “unified market” that has been central to the proposed GST regime since its inception. It further comments that the place of supply for goods has moved away from origin principle to destination principle. The default for determining the place of supply of services continues to be the location of the service recipient. In some cases, there is a differential treatment for determining the place of supply of services when provided to a registered and unregistered persons such as in case of transportation of goods. Garg (2014) makes an analysis of what the impact of GST (Goods and Services Tax) will be on Indian Tax Scenario. Stated with a brief description of the historical scenario of Indian taxation and its tax structure, the need arose for the change in tax structure from traditional to GST model. He opines that GST is all set to integrate State economies and boost overall growth. He further adds that the taxation burden will be divided equitably between manufacturing and services, through a lower tax rate by increasing the tax base and minimizing exemptions.

Goyal (2017) comments that Under the CGST model proposed, with threshold of annual turnover of Rs.10 lakhs, the present Assessee base of Excise and Service Tax of about 10 lakhs will increase to about 50 lakhs as every manufacturer and Trader above the specified threshold will be liable to CGST. As per him, Flaws of GST Model include: Local Dealers have to pay CGST in addition to SGST.

In Addition to this, CGST mainly represents the Excise/service tax and SGST mainly represents the VAT portion but, because of 'No differentiation between Goods and Services' service supply within the state would attract SGST. The issues still to be resolved are "the revenue sharing between States and Centre, and a framework for exemption, thresholds and composition".

Kanda and Handa (2017) finds that different stake holders to the legislation have prospered different effects from the act. For business and industry, it will enhance Easy compliance, Uniformity of tax rates and structures, Removal of cascading, improved competitiveness, etc. For Central and State Governments, it will make them Simple and easy to administer, Better control tax leakage and Higher revenue efficiency. For the consumer also, it will also bring a Single and transparent tax proportionate to the value of goods and services they purchase and hence gives them Relief in overall tax burden. Still there are chaos in the market that how the act will impact the business and the myths are well effecting the business activity. The paper suggest that there is an excessive need of education towards the act to prevent afraid reaction and boost a smooth flow of business activity, which has been well interrupted after the introduction of the legislation.

PAD (1999) comments that since its introduction in 1986, goods and services tax (GST) has been an important part of New Zealand's tax system. It taxes, at a single rate, most supplies of goods and services in New Zealand, with few exceptions. The twelve years since GST was introduced have highlighted areas where change may be needed: to make it easier to comply with, to bring it up to date with developments in the commercial world, and to ensure that its original policy objectives are being met. The objective of this review is to re-examine GST in light of those developments to determine whether it is possible to achieve further reductions in the costs of raising GST revenue. Specifically, the Government is seeking to develop proposals that will reduce the compliance and administrative costs arising from the application of GST; and limit the scope for erosion of the GST tax base. The scope of the review covered four broad subject areas: issues relating to working with GST in practice, including compliance cost savings measures; issues relating to giving effect to the policy underlying GST; remedial issues; and issues relating to the future for GST. The future for GST as suggested by the study included Taxing Imported Services and Financial Services. Taxing Imported Services discussed Problems arising from the current treatment of imported services, possible solutions. It concluded that the Government is committed to maintaining a broad-based GST.

As part of this commitment it is essential to ensure that the international boundaries that determine whether consumption occurs in New Zealand are well defined and accommodate continuing technological and commercial developments. Because the taxation of imported services involves the need to address potential double-taxation and non-taxation, New Zealand would be in a difficult position, as would other countries, if it were to impose reforms unilaterally. As such, the Government is keeping a watching brief on developments in the European Union and the OECD. Work is under way in the OECD to determine which international services are likely to be exposed to anomalous taxation consequences, with a view to releasing guidelines for the treatment of supplies made though the Internet and by the telecommunications industry. The Government will consider these developments and will implement these guidelines if they are considered desirable, or when multilateral action is required to improve the effectiveness of the world's GST or VAT systems.

PS & A (2017) specifically discussed Penalty & Prosecution Provisions, if tax has been paid or short paid or erroneously refunded or ITC wrongly availed. It will be dealt either under reasons other than fraud, etc (S.73) or under by reason of fraud, etc (S.74). The kind of incurring penalty and imprisonment were discussed in.

Prior research studies on the status of impact in Indian states were confined to only theoretical aspects or were based on the views of law makers and facilitators. However, earlier research work has not focused on micro level indicators at grass root public level to measure the status of financial inclusion in the said region. The main objective of this study is to fill this gap by examining some of the micro level indicators which influence the impact. It is important to note that this semi hilly region is considered to be in mid-state between and urban and remote places. The results of this research can serve as a guide to understand the impact of demographic characteristics towards the acceptability and implementation of the new taxation.

3. Measuring the Impact of GST

Taking the above review as a base point as well as considering the general phenomenon, following indicators have been used as a measure of impact of the new taxation.

4. Data Source and Research Methodology

4.1 Sampling and Data collection

The data for this research is based on individual level survey from 100 Merchants and Vendors from the rural-urban mix region of lower Himachal Pradesh, including different locations in and around major urban centers of the districts of Una, Bilaspur, Mandi, Hamirpur, Dharamshala have been surveyed from the region, administering a questionnaire based interview. It has been supplemented by descriptive views of twenty five auditors / financial and legal advisors of the region. Convenience sampling with a blend of snowball sampling has been used for the purpose, i.e. traders were first approached then they refereed suppliers and

the tax facilitators from nearby adjoining town. In this survey the gender distribution of the selected respondents is 83.0 per cent males and 17.0 per cent females. The socio-demographic profile of the respondents is shown in Table 2.

Table 1 Various Variables used in the Study as Determinants of Impact of GST

S. No	Indicator Used	Description
1.	Awareness about Goods and Services Tax (GST)	Awareness about anything has a significant impact on its understanding. The level of Awareness about the new taxation was used as a measure of reason behind a good or bad impact in the region.
2.	Financial Literacy Level (regarding GST)	Financial Literacy about a taxation in the target community has a greater impact on its implementation in the geography. The level of financial literacy about the new taxation was used as a measure of reason behind a good or bad impact in the region.
3.	Opinion regarding Efficacy of Implementation of the New Taxation	Opinion regarding Efficacy of Implementation of a taxation in the target community has a greater impact towards its acceptance. The kind of opinion regarding efficacy of Implementation about the new taxation was used as a measure of reason behind a good or bad impact in the region.
4.	Clarity of though regarding the Applicability of GST	Clarity regarding applicability about a taxation in the target community has a greater impact on ease in its implementation in the geography. The level of clarity about the new taxation was used as a measure of reason behind a good or bad impact in the region.
5.	Opinion on Excessiveness of the Tax Rate (comparing earlier taxation)	Opinion on Excessiveness of the Tax Rate about a taxation in the target community has an adverse impact on its implementation in the geography. The level of Opinion on Excessiveness of the Tax Rate about the new taxation was used as a measure of reason behind a good or bad impact in the region.
6.	Level of Assistance provided by the Respective Authorities in Filing Process	Level of Assistance providedona taxation in the target community has a positive impact on its implementation in the geography. The Level of Assistance provided about the new taxation was used as a measure of reason behind a good or bad impact in the region.
7.	Perceived Complexity of the Legal Structure of the New Taxation System	Perceived Complexity of the Legal Structure of a taxation in the target community has a adverse impact on its implementation in the geography. The Level of Perceived Complexity of the Legal Structure of the new taxation was used as a measure of reason behind a good or bad impact in the region.
8.	Reaction to the New Taxation	Reaction to a Taxation in the target community has a significant impact on its implementation in the geography. The Level of Reaction to the New Taxation was used as a measure of reason behind a good or bad impact in the region.
9.	Other Influences	Other Influences in the target community also make a significant impact on its implementation in the geography. Other Influences were used as a measure of reason behind a good or bad impact in the region.
10.	Market Impact Score	It was the total impact score the respondents graded to the total impact of GST on their local markets.

Table 2 Demographic Characteristics of the Respondents

Demographic variables	Characteristics	Percentage
Gender	Male	83.0
	Female	17.0
Age	18-25 Yrs	3.5
	26-35 Yrs	38.5
	36-45 Yrs	32.5
	46-55 Yrs	21.5
	Above 55 Yrs	4.0
Income group	<INR 10,000	48.5
	Between INR10001 and 30,000	32.0
	Between INR 30,001 and INR50,000	13.0
	Between INR 50,000 and 100,000	5.0
Educational Qualification	>INR100,000	1.5
	No formal education	20.5
	10+/Diploma	45.5
	Bachelor's Degree	25.5
	Master's Degree	7.0
Location	Others	1.5
	Bilaspur	11.0
	Dharamshala	15.0
	Hamirpur	15.0
	Mandi	30.0
	Una	29.0
Location Type	Rural	40.0
	Semi Urban	5.0
	Urban	55.0
Occupation	Supplier	19.0
	Vendor	81.0
	Other	0.0

4.2 Variable Measurement

A structured questionnaire was designed to collect data and measure the impact by considering micro level indicators with the help of multiple item measures using a 10-point scale with Strongly Disagree representing (1) and Strongly Agree representing (10). A total of 6 items were developed to capture one factor. Each item was measured by the ten-point scale. Finally the factor is used to measure the impact at micro level.

5. Results of factor analysis and scale reliability

Factor analysis represents a set of observed variables X1, X2 ...X3 in items of a number of 'common' factors plus a factor which is unique to each variable. These underlying dimensions are known as factors. By reducing data set from a group of interrelated variables to a smallest set of factors, factor analysis achieves parsimony by explaining the maximum amount of

common variance in a correlation matrix using the smallest number of explanatory constructs. Factor loading is considered to be very significant if there are >0.50 (Hair et al., 2010). In this study items which are loaded under each factor all items are > 0.50 and hence were accepted. It is generally accepted that each item value more than 0.7 is an acceptable value for Cronbach's Alpha to test reliability. Values lower than 0.5 indicate an unreliable scale. Kline (1999) noted that although the generally accepted value of 0.8 is appropriate for cognitive tests such as intelligence tests, for ability tests a cut-off point of 0.7 is more suitable. In this study the scale value is 0.957 which exceeds that acceptance level.

Appropriateness of factor analysis is tested using two important measures. The first measure is Kaiser-Meyer-Olkin (KMO) measure which gives the overall sampling adequacy (Kaiser, 1970). The KMO can be calculated for individual and multiple variables and represents the ratio of the squared correlation between variable to the squared partial correlation between variables. The KMO statistic varies between 0 and 1. Kaiser (1974) recommends accepting values greater than 0.5 as barely acceptable. In this study the scales are within the acceptable range i.e. 0.833 which falls within the acceptable limit and the composite reliability of all latent constructs exceed the proposed value of 0.5. This implies that the measurement is good. The other measurement is Bartlett's test of sphericity and its value was 1308.817 and at 1 per cent level of significance as $p < 0.001$. This measure indicates that a highly significant correlation among the items of the constructs in the survey. Table 3 shows the results of the KMO-Bartlett's test. KMO measure indicates that the sample size is adequate. The sample adequacy of 0.83 is considered good. While the Bartlett's test shows that the variables have a significant correlation between them and hence can be grouped.

Table 3 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy 0.833		
Bartlett's Test of Sphericity	Approx. Chi-Square	1308.817
	Df	15
	Sig.	.000

In analysis part, one items was removed since the extracted values of 0.389 are below the minimum accepted value of 0.5. Hence this one item is removed in the final analysis. All other extraction values in the communities range between 0.902 and 0.979 which are greater than the minimum accepted value of 0.5 were considered in final analysis. But after Varimax rotation all the six items grouped in to 1 factor gave 85.195 of total variance loading. Factor 1 has highest coefficients for Tax Rate, followed by high coefficients for No Assistance Required and Awareness about Applicability, Implementation and Legal Structure and a lower coefficient of Other Influences. Therefore, this factor can be labelled a 'Literacy and Awareness Factor' with initial Eigen value of 85.195%. The results of the total variance explained by different items have been shown in Table 4 and Table 5.

Table 4 The Statements Identified and a Communalities Test is Run on These Statements

Items	Initial	Extraction
The Implementation of new taxation system is not adequate	1.000	0.651
It is not clear whether upon whom Tax Applicability is	1.000	0.754
Too high Tax Rate is making it hard to cope with new taxation	1.000	0.725
No Assistance is being provided by the authorities	1.000	0.712
GST Legal Structure is so complex to understand	1.000	0.797
Other Influences are there causing non-acceptability	1.000	0.512

Note: Extraction Method: Principal Component Analysis

Table 5 Total Variance Explained by Different Items

No	Initial Eigen Values			Extraction of Squared Loading			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.112	85.195	85.195	5.112	85.195	85.195	Only one component was extracted. The solution cannot be rotated.		
2	.662	11.026	96.221						
3	.185	3.079	99.300						
4	.023	.378	99.677						
5	.012	.205	99.883						
6	.007	.117	100.000						

The following hypotheses were framed and tested as follows.

- H1: There is no significant difference in the perception of respondents towards various micro indicators of Impact of GST between male and female
- H2: There is no significant difference between micro indicators of Impact of GST and across various occupation groups
- H3: There is no significant difference between micro level indicators of Impact of GST and across different location type perspective groups
- H4: There is no significant difference between various micro level indicators of Impact of GST and across various location perspective groups

5.1 Data Analysis and Interpretation

The following indicators are considered for measuring Impact of GST

5.1.1 Awareness about Goods and Services Tax (GST)

Awareness about anything has a significant impact on its understanding. The level of Awareness about the new taxation was used as a measure of reason behind a good or bad impact in the region. In this study the awareness about Goods and Services Tax with male population of mean score 0.5904 is higher than female mean value of 0.4118. This shows that men are more associated with the greater awareness about Goods and Services Tax. The results reveal that the p-value (0.180) is more than 0.05. Hence null hypothesis is accepted at 5% level of significance. We study the impact of occupation on awareness about Goods and Services Tax. The results show that the p-value (0.025) is less than 0.05. Hence null hypothesis

is not accepted at 5% level of significance. The location type perspective p-value (0.000) is less than 0.05, so null hypothesis is not accepted at 5% level of significance and location perspective p-value (0.027) is less than 0.05, so null hypothesis is not accepted at 5% level of significance.

5.1.2 Financial Literacy Level (Regarding GST)

Financial Literacy about taxation in the target community has a greater impact on its implementation in the geography. The level of financial literacy about the new taxation was used as a measure of reason behind a good or bad impact in the region. In this study the financial literacy level (regarding GST) with male population of mean score 4.6145 is higher than female mean value of 3.1765. This shows that men are more associated with the greater financial literacy level (regarding GST). The results reveal that the p-value (0.082) is more than 0.05. Hence null hypothesis is accepted at 5% level of significance. We study the impact of occupation on financial literacy level (regarding GST). The results show that the p-value (0.000) is less than 0.05. Hence null hypothesis is not accepted at 5% level of significance. The location type perspective p-value (0.000) is less than 0.05, so null hypothesis is not accepted at 5% level of significance and location perspective p-value (0.007) is less than 0.05, so null hypothesis is not accepted at 5% level of significance.

5.1.3 Opinion Regarding Efficacy of Implementation of the New Taxation

Opinion regarding Efficacy of Implementation of a taxation in the target community has a greater impact towards its acceptance. The kind of opinion regarding efficacy of Implementation about the new taxation was used as a measure of reason behind a good or bad impact in the region. In this study the opinion regarding efficacy of Implementation of the New Taxation with male population of mean score 5.8795 is higher than female mean value of 4.3529. This shows that men are more associated with the better opinion regarding efficacy of implementation of GST. The results reveal that the p-value (0.104) is more than 0.05. Hence null hypothesis is accepted at 5% level of significance. We study the impact of occupation on efficacy of Implementation of the New Taxation. The results show that the p-value (0.000) is less than 0.05. Hence null hypothesis is not accepted at 5% level of significance. The location type perspective p-value (0.000) is less than 0.05, so null hypothesis is not accepted at 5% level of significance and location perspective p-value (0.013) is less than 0.05, so null hypothesis is not accepted at 5% level of significance.

5.1.4 Clarity of thought Regarding the Applicability of GST

Clarity regarding applicability about taxation in the target community has a greater impact on ease in its implementation in the geography. The level of clarity about the new taxation was used as a measure of reason behind a good or bad impact in the region. In this study the clarity of thought regarding the applicability of GST with male population of mean score 5.4337 is higher than female mean value of 4.1176. This shows that men are more associated with the better clarity of thought regarding the applicability of GST. He results reveal that the p-value

(0.158) is more than 0.05. Hence null hypothesis is accepted at 5% level of significance. We study the impact of occupation on clarity of thought regarding the applicability of GST. The results show that the p-value (0.000) is less than 0.05. Hence null hypothesis is not accepted at 5% level of significance. The location type perspective p-value (0.000) is less than 0.05, so null hypothesis is not accepted at 5% level of significance and location perspective p-value (0.000) is less than 0.05, so null hypothesis is not accepted at 5% level of significance.

5.1.5 Opinion on Excessiveness of the Tax Rate (Comparing Earlier Taxation)

Opinion on Excessiveness of the Tax Rate about a taxation in the target community has an adverse impact on its implementation in the geography. The level of Opinion on Excessiveness of the Tax Rate about the new taxation was used as a measure of reason behind a good or bad impact in the region. In this study the opinion on excessiveness of the tax rate (comparing earlier taxation) with male population of mean score 4.6988 is higher than female mean value of 3.3529. This shows that men are more associated with the better opinion on excessiveness of the tax rate (comparing earlier taxation). The results reveal that the p-value (0.115) is more than 0.05. Hence null hypothesis is accepted at 5% level of significance. We study the impact of occupation on opinion on excessiveness of the tax rate (comparing earlier taxation). The results show that the p-value (0.000) is less than 0.05. Hence null hypothesis is not accepted at 5% level of significance. The location type perspective p-value (0.000) is less than 0.05, so null hypothesis is not accepted at 5% level of significance and location perspective p-value (0.005) is less than 0.05, so null hypothesis is not accepted at 5% level of significance.

5.1.6 Level of Assistance Provided by the Respective Authorities in Filing Process

Level of Assistance provided on taxation in the target community has a positive impact on its implementation in the geography. The Level of Assistance provided about the new taxation was used as a measure of reason behind a good or bad impact in the region. In this study the opinion on level of assistance provided by the respective authorities in filing process with male population of mean score 3.9157 is higher than female mean value of 2.2941. This shows that men are more associated with the better opinion on level of assistance provided by the respective authorities in filing process. The results reveal that the p-value (0.037) is less than 0.05. Hence null hypothesis is not accepted at 5% level of significance. We study the impact of occupation on opinion on level of assistance provided by the respective authorities in filing process. The results show that the p-value (0.000) is less than 0.05. Hence null hypothesis is not accepted at 5% level of significance. The location type perspective p-value (0.000) is less than 0.05, so null hypothesis is not accepted at 5% level of significance and location perspective p-value (0.007) is less than 0.05, so null hypothesis is not accepted at 5% level of significance.

5.1.7 Perceived Complexity of the Legal Structure of the New Taxation System

Perceived Complexity of the Legal Structure of taxation in the target community has an adverse impact on its implementation in the geography. The Level of Perceived Complexity of the Legal

Structure of the new taxation was used as a measure of reason behind a good or bad impact in the region. In this study the perceived complexity of the legal structure of the new taxation system with male population of mean score 3.1687 is higher than female mean value of 1.7647. This shows that men are more associated with the perceived complexity of the legal structure of the new taxation system. The results reveal that the p-value (0.053) is more than 0.05. Hence null hypothesis is accepted at 5% level of significance. We study the impact of occupation on perceived complexity of the legal structure of the new taxation system. The results show that the p-value (0.000) is less than 0.05. Hence null hypothesis is not accepted at 5% level of significance. The location type perspective p-value (0.000) is less than 0.05, so null hypothesis is not accepted at 5% level of significance and location perspective p-value (0.006) is less than 0.05, so null hypothesis is not accepted at 5% level of significance.

5.1.8 Reaction to the New Taxation

Reaction to taxation in the target community has a significant impact on its implementation in the geography. The Level of Reaction to the New Taxation was used as a measure of reason behind a good or bad impact in the region. In this study the reaction to the new taxation with male population of mean score 6.8554 is lesser than female mean value of 8.2941. This shows that women are more associated with the reaction to the new taxation. The results reveal that the p-value (0.037) is less than 0.05. Hence null hypothesis is not accepted at 5% level of significance. We study the impact of occupation on reaction to the new taxation. The results show that the p-value (0.000) is less than 0.05. Hence null hypothesis is not accepted at 5% level of significance. The location type perspective p-value (0.000) is less than 0.05, so null hypothesis is not accepted at 5% level of significance and location perspective p-value (0.012) is less than 0.05, so null hypothesis is not accepted at 5% level of significance.

5.1.9 Other Influences

Other Influences in the target community also make a significant impact on its implementation in the geography. Other Influences were used as a measure of reason behind a good or bad impact in the region. In this study the other influences with male population of mean score 1.2651 are lesser than female mean value of 0.6471. This shows that women are more associated with the other influences. The results reveal that the p-value (0.002) is less than 0.05. Hence null hypothesis is not accepted at 5% level of significance. We study the impact of occupation on other influences. The results show that the p-value (0.000) is less than 0.05. Hence null hypothesis is not accepted at 5% level of significance. The location type perspective p-value (0.472) is more than 0.05, so null hypothesis is accepted at 5% level of significance and location perspective p-value (0.093) is more than 0.05, so null hypothesis is accepted at 5% level of significance.

5.1.10 Market Impact Score

It was the total impact score the respondents graded to the total impact of GST on their local markets. In this study the Market Impact Score with male population of mean score 8.1205 is

lesser than female mean value of 8.9412. This shows that women are more associated with the market impact score. The results reveal that the p-value (0.179) is less than 0.05. Hence null hypothesis is not accepted at 5% level of significance. We study the impact of occupation on purpose of bank account. The results show that the p-value (0.000) is less than 0.05. Hence null hypothesis is not accepted at 5% level of significance. The location type perspective p-value (0.472) is more than 0.05, so null hypothesis is accepted at 5% level of significance and location perspective p-value (0.043) is less than 0.05, so null hypothesis is not accepted at 5% level of significance.

Table 8 Independent Samples Test for the Perception of Respondents towards Various Micro Indicators of Impact between Male and Female

Indicator	F	T-value
Awareness about Goods and Services Tax (GST)	.001	-1.350*
Financial Literacy Level (regarding GST)	.454	-1.757*
Opinion regarding Efficacy of Implementation of the New Taxation	.028	-1.640*
Clarity of though regarding the Applicability of GST	.006	-1.421*
Opinion on Excessiveness of the Tax Rate (comparing earlier taxation)	.059	-1.589*
Level of Assistance provided by the Respective Authorities in Filing Process	2.111	-2.119*
Perceived Complexity of the Legal Structure of the New Taxation System	2.503	-1.958*
Reaction to the New Taxation	3.062	2.118*
Other Influences	2.075	-3.185*
Market Impact Score	5.128	1.354*

* Denotes significance at 5% level and ** denotes significant at 1 % level

Note: consider equal variances assumed

6. Conclusion

GST is a Multi Stage Consumption Tax, paid on Business Inputs. We are already 161st nation to introduce this tax. Further, it has been introduced in the globe far back in 1954 in France. In a long global journey of as long of 6 decades, successful models have already been established. We in India even after having a decade full of debates and bill revival, are facing a lack of proper implementation and reorganization. There it seems to be somewhere more politically induced than that of the social and economic backings (Deloitte,2015; Dimri, 2017; ELP, 2016; Garg, 2014; Goyal, 2017; Kanda and Handa, 2017; PS&A, 2017). As much as our study is concerned, the region felt a considerable slowdown through and post implementation of GST.

The results suggest that there is an excessive need of education towards the act to prevent afraid reaction and boost a smooth flow of business activity, which has been well interrupted after the introduction of the legislation, especially in the semi-urban and rural setups. Market Opposition and Hence Slowdown is observed as happening not solely caused by GST effect, but induced by many other socio-political factors in addition.

Complexity of the legal structure has been cited as the prominent variable of influence with regard to the system normalization. We need to rise up the no. of Trained Tax Professionals at different locations and raise up the awareness level by way of workshops, telecasts and other methods of influence. Further, there is a need to train public representatives to work towards enhancing awareness level and take away the misunderstandings about the new taxation system. The study will be well useful to judge the impacts of the new indirect taxation act in the region, suggesting way out to succeed the business activity. Similar Studies may be conducted at a large scale will be more useful for the purpose and will better address the issues with the new system.

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Onerous Journey of a Retail Coffee Outlet Chain (Café La Coffee, India)-(CLC) Imprints of an Expansionist Strategy

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Abstract

CLC is still the lowest price café selling coffee along with other food items competing with quick service restaurant chains in India. On a typical expansion curve, any company worth the salt will aim for scale and brand recognition and then focus on quality of profits as the model stabilises. A theme lonking companies in many sectors is their capabilities in superior market sensing and their abilities to develop competitive advantage from their learning processes. The beverage industry in India is fragmented but few players dominate. Their attention is on pool of customers they can get. The challenge then is one of knowledge management to build companywide understanding of the marketplace and responsiveness, rather than simply collecting information.

CLC is now plagued with the question of how further expansion can be value-based and profitability-centred. Customer expectations have gone up. What CLC will perform amid multiple coffee and QSR chains remain a mystery, leaving a small question mark. The real threat lies within. Brand desirability, ubiquity, and product-service consistency must balance each other well in a marketplace where indigenous Indian brands are vulnerable compared with international brands. To grow the brand further, it has to spruce up its outlets, refurbish and improve vending machines, erasing debilitating factors like the quality of beverages and limited choice of food items. Still, the question hangs' Is it right to open more CLC outlets even in hinterlands?'

CLC must identify skill and resource gaps, check for environmental diversity, turbulence and look for value-enhancing opportunities. CLC must understand that segmentation has an international dimension in many markets. There are strivers, devouts, Altruists, Fun seekers, Creatives segments who pursue different activities, purchase different products, and use different media.

CLC must also decide which brands compete in the market, collect buyers' perceptions about attributes for available brands (and an ideal brand) and evaluate marketing strategies. Branding comes to the fore. A cost-quality mapping can be done to plot consumers with similar preferences to see if subgroups (potential segments) will form. While the benefits of customization are apparent, there are issues of variety and branding strategies that need to be examined when considering finer segmentation strategies.

The company must balance technology, buyer diversity, and pursue relationship opportunities. The firm must not land in utopia, nor should it go into a danger zone, minimizing risks as far as possible. CLC must avoid defining a symptom rather than address an underlying problem—do falling sales reflect declining market size, new competitive activity, or ineffective promotion?

Keywords: Brand Association, Brand Name, Positioning, Segmentation, Strategy, Value map

1. Introduction

Companies are Ever-Evolving in the Wake of Changes. Macroeconomic context continuously shifts, trends in demographics and psychographics present transformation in markets and customer demand. New products can increase long-term financial prospects and a firm's value. Companies provide new and improved goods and services to customers with a view to make the image consistent, or to better satisfy current customers or attract new customers, or to stave off competition. Even with a degree of success achieved with products portfolio, a company reflects rightly 'what else can we do that might appeal to customers, and are we likely to do a better job than competitors? How to leverage strengths and any other advantage? How can we discover new markets and rediscover?'

The beverage industry in India is fragmented but few players dominate. Their attention is on pool of customers they can get. Products are churned out time to time to enlist customers. Change is bound to come. In October 2012, Tata Starbucks, an equal stake joint-venture between Tata Global beverages and Starbucks Corporation, opened its maiden store in Mumbai, India. Café La Coffe (CLC) was opened by the promoter in the same spirit. The format was Lounge to counterpoise the sophistication of Starbucks. While customers initially patronized CLC's Lounge, eventually they deserted leading to its closure in mid- 2014. Starbuck's brand recall and 75 outlets in two years posed an alternative to customers to switch loyalty. One young customer commented 'It is difficult to match the service and ambience of Starbucks. Not just that, Starbucks delivers value for money compared with CLC.' The young executive does not lament that CLC does not offer free Wi-Fi, though the coffee and palate do not match his tastes. In contrast, Starbuck's is livelier coming with an eclectic menu.

2. Review of Literature

Brands are an integral part of an organisation's competitive strategy. Developing strategies to manage brands and sustain are critical to grasp the relational dimension. The way in which a customer relates to a brand is both appropriate for making a sound strategy as well as to create cross-selling opportunities for other products and services.

Customers may not perceive or receive exactly the same image that marketers want to create. Competitive pressures and implementation mistakes can create a distorted image of a brand. Companies sometimes try to reach out to all customer segments and end up in amessy distorted image, germinating dissonance in the minds of consumers. The core aspect of brand gets disconnected and brand identity suffers. The following figure shows that brand synthesis ultimately ensues from all forms of communication they receive—brand name, symisrequirebols, logo, design, style, colour, physical products, patronage, promotion.

Figure 1



Facets of brand identity are physique, personality that create, reflect, and connote a self-image that comes out of communication and culture. Here usage and experience of the product comes to the picture. Physique is the tangible value that resides in key product and its attributes. A brand has cultural tendencies to favour human values or challenging always to compete and perform. Customers with long usage and experience build a relationship with brands. That becomes a part of consumer's personality. However, demanding customers constantly oscillate among competing brands delivering near equal values. Ultimately, brands which speak for self-image facilitate or even stimulate communication. The core identity thus captures the value proposition of the brand.

Positioning comes in which does not create something different. It manipulates what is already there up in the mind. It reconnects to the mind of prospects. Positioning deals with the category the brand belongs and the way the new brand is different from other brands available in the category. Once a branding decision is taken, an overall branding strategy is required—individual, family, and corporate branding. Brand extensions capitalize on recognition, goodwill, or any positive association of an established brand (Hem, Chernatony, and Iversen, 2003). Extensions do not need building awareness or brand values. Communications here position the extended brand in the new market and give potential customers a clue to endorse and buy at last.

Objectives

The objectives of the case are

1. To ascertain how to add value to a product or service in moving from basic product to added products as a part of the value-chain, and to see the strategic role of Distribution. A good distribution network creates a strong competitive advantage for an organization. Each and every member of the distribution network or the channel should add value to service or the augmented product as a part of delivery. Each part is interdependent and interrelated. Pricing, selling, communications between buyers and sellers must accomplish customer perceived satisfaction.
2. To appreciate that a strategic value chain perspective requires managers in market-driven company regularly view the adequacy of their overall marketing mix and strategy and consider the impact of technology inputs. This will involve strategic positioning in market rather than short-term cost savings. This will add another objective of interpreting learning about customers, competitors, and other members of the value chain in order to continually sense and act on events and trends in present and prospective markets.
3. The objective challenge finally then is one of knowledge management to build companywide understanding of the marketplace and responsiveness, rather than simply collecting information.

CLC is still the lowest price café selling coffee along with other food items competing with quick service restaurant chains in India. On a typical expansion curve, any company worth the salt will aim for scale and brand recognition and then focus on quality of profits as the model stabilises. A theme haunting companies in many sectors is their capabilities in superior market sensing and their abilities to develop competitive advantage from their learning processes.

Rationale

Rationale of this case lies in establishing core concepts of brand identity, brand image, brand positioning, and their relationships in the wake of growth and expansion, notwithstanding profits or the bottom line. CLC is now plagued with the question of how further expansion can be value-based and profitability-centred. Customer expectations have gone up. What CLC will perform amid multiple coffee and QSR chains remain a mystery, leaving a small question mark. The real threat lies within. Brand desirability, ubiquity, and product-service consistency must balance each other well in a marketplace where indigenous Indian brands are vulnerable compared with international brands. To grow the brand further, it has to spruce up its outlets, refurbish and improve vending machines, erasing debilitating factors like the quality of beverages and limited choice of food items. Still, the question hangs- 'Is it right to open more CLC outlets even in hinterlands?' The tenet of expansion perhaps lies in constantly reinventing the offerings and services albeit incrementally.

Methodology

Here it is a Coffee chain in India by the name CLC, short form. The evolution is mapped right from the start and inspiration. Analysis is largely inductive, exploratory in nature. Going by the years, it assumes a longitudinal character for the analysis. Though the coffee industry is fragmented, it is still dominated by large players in India. Naturally, an incumbent or a starter firm has to struggle against odds to create awareness and build a satisfactory brand. Data is secondary, taken from business journals. However, the data is reflective and substantive.

Analysis

Brand Power

Another customer complaint is that Starbucks does not sell good coffee. The coffee is overpriced. To throw about Rs280 for a Grande Caramel Macchiato, one must have a deep purse. However CLC is not giving up its steam. It is looking at brand pull firepower and improved customer satisfaction. Some pundits claim that there can be a branding backlash, that there is a decline in branding; but that is not widely held. Plethora of new brands means brands are more important than ever and companies must hustle after customer's share of mind. While a brand name assures quality, customer's decision-making is made easier due to less perceived risk associated with choice of a brand. It is brand association that gives meaning to brands in customers' minds. From where do these associations come? From integrated communication, or customer experiences with the brand and or competitors' brands, and or stories that

customers relate to brands. These associations were constantly tormenting CLC's CEO right from the inception.

CLC's Singh in 1994 came across a paper about a German company called Tchibo starting off as a 10x10 store in 1949. It flowered afterwards as a chain of coffee retailers and cafes. Says Singh, "In 1995, we decided to take the café route, since there was a bigger opportunity for value addition there. In the coffee powder business, the mark-up is 100%, while in the café business; it is as much as 800-900%." Singh and his team started putting the pieces together.

Table 1 A Distinct Flavour

From a mere coffee exporter two decades back, CLC Enterprises successfully moved up the value chain.

Café La Coffee

Target Segment: Value conscious youth

1423 Outlets across

209 cities in India and

16 overseas

The Lounge

Target Segment: Trendy, affluent customers

42 Outlets in India

The Square

Target Segment: Coffee connoisseurs

7 Outlets

Coffee Beverages

Target Segment: Corporate & Institutional clients

28777 Vending machines

Coffee fresh & Ground

Target Segment: Households and eateries

across 7 States

Coffee Express Kiosks

Target Segment: Coffee on the go

590 kiosks across 12 cities

Source: Outlook Business, Oct 2, 2015, India

Outlets

Exports wing has come up. It has a café network that includes the value format of CLC; lounge that houses the trendy and affluent and The Square for coffee connoisseurs. Lounges (between 1000 sq.ft and 1300sq.ft), squares (between 2500 and 300sq.ft) can be spotted at expensive locations that attract rich customers, the CLC outlets, on the contrary, can be seen at affordable locations. B2B selling has been added to the core business—selling vending machines, kiosks, selling brewed coffee powder through brand outlets. Strategically, the concrete features are easier to copy and imitate to the extent desired, deliver and explain to customers. The more abstract benefits are values that are more meaningful to customers, being able to capitalize as competitive advantage. But then it is also difficult to create and sustain these values.

When CLC set up Mumbai kiosks in India, it presented an amusing picture. But it is not difficult to understand why. The team was not sure of the market demand and rental values were too high even then. 'Had we opened 1500sq.ft stores in Mumbai at that time, it would have been difficult. Our competitors were paying 70% of revenue only towards rent points out the CEO of CLC. CEO of CLC did not choose to go for the franchising option. Rather he chose to invest own capital going to the extent of revenue-sharing arrangements with corporates and fuel stations. Corporates see revenue-sharing as a complementary source of revenue, that gives them added flexibility. CLC was able therefore, to control all operations and see the gaps so as to deliver a consistent customer experience.

Positioning

From a small outlet (one store-one-outlet) cyber café unit in Bangalore to hover at about 1600 stores today, CLC has traversed a long way to establish itself in the business. In fact, so many other outlets have come and went without being able to match the scale and speed at which CLC has grown. Barista, which saw 170 outlets on its wings, did not come up to scale inasmuch as Costa Coffee with 90 outlets, that too in busy airport shops. Other peripheral players are The Coffee Bean, Tea Leaf and homespun Mocha. Di Bella of Australia is reentering the market with a new business partner, Electel. Looking at hindsight, it is apparent that CLC started the ball rolling with an expansionist strategy even in smaller cities. It adapted to every botches of the game thus positioning itself securely in all corners of the country. But is it secure? Is it sustainable financially? These questions loom large in the mind of the CEO.

Unlike big sharks like Starbucks, CLC has four different price points. CLC is still the lowest price cafe competing with quick service restaurant chains. 'We are 60% cheaper than competition. Will they cut prices by 50% and still be able to pay rentals?' quips Singh. But this does not mask the problems CLC is facing otherwise.

Table 2 The Price Warrior

CLC's menu offerings are the cheapest when compared with other café and QSR chains

	Cappuccino	Espresso	Hot Chocolate	Brownie	Veg SANDWICH
Starbucks Coffee	129	100	135	165	170
Café La Coffee	79	69	101	75	89
Barista	90	70	140	130	130
Costa Coffee	110	90	110	200	180
Dunkin Donuts	90	50	105	59*	120

Source: Outlook Business, Oct 2, 2015, India

Hazards

Vertically integrated CLC has had to shut down over 300 outlets, even though it had to open close to 700 stores over last five years coming on the heels of its expansion strategy. A record 177 outlets were closed by Financial Year 2015. Cafes had to be closed down due to small sizes, lower levels of business outcomes, and higher rentals on renewing leases. This clean-up did cost dearly in terms of vertical growth. However, average sales per day per café jumped from 3.9% in 2012-13 to 12% in 2013-14, further to 13% in 2014-15. An average outlet size of 200sq.ft and average spend per person of Rs200 a day, Starbucks outperforms all others— ASPD in around 65000/- nearly 4 times that of CLC and Barista. CLC registered ASPD in the range of 15-20%, may be because of closing down units, feels observers of the industry.

CLC instead wants to increase 216 outlets and 106 kiosks by 2017. India, Singh opines, can have thousands of stores on the highways at our price-points. We have sold 1.3 billion cups of coffee and tea in 2015. Over the past five years, we have grown by 30% in that business' he puts succinctly. 'It is a typical expansion curve. First, you aim for scale and brand recognition and then focus on quality of profits as the model stabilises. Our expansion is now value-based and profitability-centred, says the President of Costa Coffee chain. CLC has to countenance slow competition from Dunkin' Donuts and McDonald's McCafe. McDonald's has an unique advantage in its 210 restaurants and about 50 McCafes within them. This brings in incremental revenues without any extra rental outgo. McDonald's wants to double the outlet of McCafe by 2017. McCafe is not a coffee outlet as the name implies but whips up as abeverages platform to being in additional brand recalls.

Table 3 Load Shedding

While competition is no match as far as CLC's reach is concerned, the market leader has had to shut quite a few loss-making outlets in recent years.

Store Breakup	FY10	FY11	FY12	FY13	FY14	FY15 (9M)
Starbucks			2	32	40	64
Dunkin' Donuts			7	20	29	50
Café La Coffee day	1020	1100	1286	1454	1568	1472
Barista	220	200	160	180	180	169
Costa coffee	58	75	96	100	100	82

	Outlets Closed	Outlets Opened	Total Outlets
FY12	36	236	1286
FY13	42	210	1454
FY14	44	158	1568
FY15	175	75	1472

Source: Outlook Business, Oct 2, 2015, India

Balance

Whatever it may augur for the future, this kind of positioning is very nascent. There is a huge gap in terms of customer experience feedbacks. Basic product has to have strong pull factor and continuously infuse novelty into it. Customer expectations in the meantime have gone up. What CLC will perform amid multiple coffee and QSR chains remain a mystery, leaving a small question mark. The real threat lies within. Brand desirability, ubiquity, and product-service consistency must balance each other well where Indian brands are vulnerable compared with international brands. International brands have tested water across corners and they know the hows and whys of brands and brand associations and brand performances. The problem is customers have become more demanding after Starbucks experience- they want Starbucks experience at CLC price-points. About 60% of CLC's business is repeat customers and 40% is generated by new customers. The essence of winning is to get 40% share without losing existing category of 60%.CLC has a tough road ahead--- right menu mix (palate), ambience, and friendly supporting staff. CLC has the thorny issue of high attrition at the front level though at the top level, it is not more than 5-6%.

The CLC chain is also looking up to spruce up its outlets, refurbishing and improving vending machines. Another debilitating factor is the quality of beverages and limited choice of food items. In cafes, beverages dominate the stock keeping units and sales mix. CLC has 65% from beverages and balance comes from food. Starbucks, on the other hand, enjoys average beverage sales contribution of 53%. For Tata Starbucks, local menu come to the plate— *cardamom flavoured mawa croissant* has registered good sales along with *chatpataparatha wrap*, *MurgKathi wrap*. CLC sources handcrafted coffee that makes the taste inconsistent. There lies a bump for customer satisfaction -for those sniffy with taste. So far CLC has not gone for machine brewing like other outlets.

Table 4 Sticky Affair

CLC has to look at ways to drive footfalls if it has to sustain same-store sales growth.

FY12	1.28%
FY13	8.40%
FY14	9.13%
FY15*	4.08%

Source: Outlook Business, Oct 2, 2015, India

Conclusion

Fundamentally, it appears in the face of all these hurdles and negative breakpoints, that CLC has to work on improving its billing value. Given the fact that the company reports profitability for the entire coffee segment, it is not clear if the café business is doing well on a standalone basis. Says an analyst, "Typically, 30% of CLC outlets bleed, 40% barely break even and the remaining 30% drive the business." CLC has already a consolidated debt burden of over Rs2900 crores. The company needs additional funds to reinvent itself. A Public Issue can alleviate the problem but what will be the recourse if additional funds are required? Even if funds are arranged, what will happen if some segments dry up eventually due to competition or otherwise? Will it call for repositioning products and further investments in this regard? There seems to be no particular answer for CLC in its inflexion point on the growth curve, billionaire Singh feels.

In its wake, the parent of India's largest coffee chain, Cafe La Coffee, has filed for an IPO in the country in the past fortnight. The pre-IPO valuation of the Starbucks rival is said to be \$1 billion.

It is said that Coffee Day Enterprises is to offer 20% of its stake to the public for about \$200 million. The regulatory formalities are expected to take a couple of months and the IPO will likely be in the September-October 2016 timeframe. Three India-based Forbes billionaire investors are said to have made pre-IPO investments in the chain whose public offering is expected to garner much investor interest.

As said before, Cafe La Coffee is promoted by Forbes billionaire, Singh, 57, who launched the chain in 1996. The first outlet was also India's first cybercafé in downtown city Road in his home base and tech hub city in India.

Segmentation Limitations

Processes involved in target marketing process for CLC are not as precise as many tend to think and imply. Businesses fail to overcome barriers encountered when implementing their plans. These include the following barriers:

1. Infrastructure barriers- culture, structure, and the availability of resources prevent the segmentation process from ever fructifying into fruitful segments.
2. Process issues- Lack of experience, guidance, and skills can hamper how segmentation is undertaken and managed.
3. Implementation barriers-Once a new segmentation model is determined, how do organisations move towards it? This may necessitate a move away from a business model based on products to one based on customer needs. It is not 'what you do to a product, it is what you do to the mind of a prospect' (Ries and Trout, 1972) that determines how a brand is positioned in a market.

4. Each company, however, has its own systems and idiosyncracies. Singh further thinks that CLC has to be aware of ecological efficiency and its impact on lowering costs and promoting sustainable development. Still a systematic appraisal is necessary to determine the best possible outcomes for CLC and the ways(strategies) in which it can be realized. These measures are important aids for the vision as well. As the years progress, marketing measures will become increasingly vital in fixing company performance together with its strategic, ethical and environmental health. Basic segmentation dimensions should discriminate either on the revenue side (by usage intensity and behavior for instance), or on the cost side (by raw material purchased, channel used, intensity of customer care usage and service levels). That way, CLC can have or gather a complete map of the 'wells' of value creation and 'pits' of value destruction of the business, Singh was musing himself.
5. Notwithstanding the 'wells' and 'pits' of value map, the pioneering Cafe La Coffeeis credited with triggering off a cafe culture in the country, blitzing not just India's metropolises but also its smaller cities with cafes. It presently has 1,530 stores and 600 kiosks across India as well as 30,000 vending machines in 11,000 corporate offices. The cafes have become a hangout for India's young and restless, and a meeting hub for its entrepreneurs, corporate workers and housewives. Is it going to be an icon? The answer looms large.

Table 5 Green Café

Though financials for the café business are not available, the coffee business, as a whole, is profitable

Revenue	(Rs. Crore)	Profit
879	FY15	30
1144	FY14	25
1108	FY13	31
1033	FY12	16
954	FY11	26

Source: Outlook Business, Oct 2, 2015, India

Managerial Implication

It appears CLC must manage its reputation, prestige, and allure that a brand generates. It must understand what attributes are rated by customers and how they interrelate. Only then a brand's attributes can be adapted and communicated to become more competitive. Images, beliefs, core associations consumers have about particular brands come to play to build brand equity, the wealth of a brand. Ability to learn from customers, capability in superior market sensing, and ability to develop competitive advantage from learning processes should be the cornerstone of CLC. The imperative in market-led strategy then is the quest for superior interpretation of market information, market understanding and an overall market orientation. What emerges therefore is that CLC requires to pursue finer segmentation

strategies involving major decisions- which strategy to follow and how to implement the strategy. Important in deciding how fine the segmentation should be is estimating the value and cost trade-offs of the relevant alternatives. CLC has to look at environmental, social, financial, and marketing parameters that are suitable for the purpose set, assess their possible effectiveness by enabling a better return on investment. Can CLC prove equal to these tasks? CEO wonders heavily.

Market orientation is both a culture and a process. This process is committed to achieving superior customer value. But market intelligence may be so focused that opportunities or threats outside the current products market are ignored. Prevailing views of market orientation look at current customers and competitors, whereas other learning sources include suppliers, noncompeting businesses, and even the government. The key issue here is how broad the market orientation should be. Learning about markets reduces time necessary to accomplish new product development. The learning process must begin with an open-minded inquiry. Café Coffee Day should rebuild performance by aligning company capabilities better with changing market characteristics.

CLC must identify skill and resource gaps, check for environmental diversity, turbulence and look for value-enhancing opportunities. CLC must understand that segmentation has an international dimension in many markets. There are strivers, devouts, Altruists, Fun seekers, Creatives segments who pursue different activities, purchase different products, and use different media.

CLC must also decide which brands compete in the market, collect buyers' perceptions about attributes for available brands (and an ideal brand) and evaluate marketing strategies. Branding comes to the fore. A cost-quality mapping can be done to plot consumers with similar preferences to see if subgroups (potential segments) will form. While the benefits of customization are apparent, there are issues that need to be examined when considering finer segmentation strategies.

1. How much variety should be offered to buyers? What attributes are important in buyers' choices? To what extent do they need to be varied?
2. Is it possible to increase buyers' desire for variety, creating a competitive advantage?
3. How will it be feasible to develop branding strategies for segments or broader segments?

The company must balance technology, buyer diversity, and pursue relationship opportunities. The firm must not land in utopia, nor it should go into a danger zone, minimizing risks as far as possible. CCD must avoid defining a symptom rather than address an underlying problem—do falling sales reflect declining market size, new competitive activity, or ineffective promotion?

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Teaching Note

Discussion Questions

1. Where do you see the scope for 'customer value creation' in the business café coffee day is in?
2. Is its expansion strategy justifiable? If you were the manager, what course will you have taken?
3. Do you believe in horizontal or vertical growth for such a coffee chain? Give arguments.
4. How will you maintain brand image when so many outlets are closing down every year?
5. Which category will you concentrate – Food or Coffee and why? Will you decide for finer segmentation of your category choice? For how long?

Answers

Question 1 can be answered by going either into existing products or new products. However new products planning follow a step-by-step process. This must be combined with effective organizational designs. Experience and learning also help in improving services and products. Top management often defines new product, market, and technology scope of new product ideas to be considered by an organization. This can be discussed in the class 15 minutes, or so by giving the theoretical background.

Question 2: Proactive cannibalization initiatives should be considered in innovation or expansion strategies. Marketing research, R&D, incentives, screening, evaluation should form a plank of expansion strategies to be considered by managers. This question can be hauled in another 10 minutes.

Question 3 Horizontal growth is desirable if it is market-driven and customer focused. Geographic suitability is also a factor to be reckoned. Costs should be ascertained for vertical integration where speed and innovation will become the priority. However, processes will constrain product scope, or incremental variations, or radical improvements. Teaching here can go to nuances of horizontal growth Vs Vertical growth and then to overall discussion. Can involve 20,25 minutes.

Question 4; answer lies in both food and coffee, the mainstay product for long-term growth. In fact, the chain, of late, has introduced food items to spruce up offerings. Logic of finer segmentation rests on customizable offerings, Diverse customer base if any, and close customer relationships springing up loyalty factor. As long as these elements are favourable in terms of giving revenues per capita customer, segmentation and micro-segmentation can continue. But if any one variable shows signs of slack, dynamics are in motion which will call for rejigging segments. Marketing mix accordingly will vary as per segments to be targeted. A debate can be generated in the class or a role play can be enacted or a cross-opinion can be germinated that can take 20 minutes.

This case is suitable for undergraduate final year Marketing courses or Graduate students taking Marketing or Marketing Strategy courses or a course in Brand Management.

Service Quality: The Sixth Dimension 1

S. Balachandran

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Summary

Are the five dimensions of the conventional ServQual model adequate in measuring customer perceptions of service quality, in the Indian service context? The article argues that a sixth dimension must be added for services in India.

ServQual – An Overview

Most of us are familiar with ServQual (Parasuraman, Zeithalm and, Berry, 1988), an empirical method for measuring customers' perceived quality of a firm's service and comparing it with their service needs (of the firm's service) or with competition or over time. It is based on five dimensions of service quality: *Tangibility, Reliability, Responsiveness, Assurance and Empathy*. Each of these five dimensions is broken down into a number of service attributes, which are considered important for a particular service. Over a period of time, service researchers have suggested several modifications to the methodology, but the basics of the model are well-accepted.

Indian Context

Several research and commercial studies have been conducted on ServQual in a variety of Indian services such as retailing, banking, airlines, telecom, education, healthcare etc., essentially based on the five dimensions proposed by the authors of the model originally. I would like to examine the inadequacy of the model for measuring service quality in the Indian context, especially in light of recent developments. The primacy of customer-oriented business practices has taken a back seat in several Indian services and this necessitates a relook at how we measure ServQual.

Business Practices of Indian Telecom Services

Let me take the example of the Indian telecom industry to illustrate my viewpoint. The telecom sector abounds with examples of degeneration of business practices, which are very often unfair and even hostile to customers. Conventional CRM (customer relationship management) principles dictate that, in service situations, wherein the *customer's lifetime value* (look for *forthcoming articles and resources* on the subject) is high to the firm, business practices should be oriented towards retaining existing customers. CRM further advocates favourable treatment of loyal customers. The obvious logic of this diktat is that it is costlier to acquire and serve a new customer, as compared to an existing customer.

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But, we see several instances of telecom firms adopting business practices which undermine existing customers. Some of them charge even for complaint calls made to their call centre. At your cost, they keep playing to you, for several minutes, pre-recorded audios on how great their value added services are and how easy it is to subscribe to each of the VA services. Is this not plainly unethical, apart from being unresponsive?

Even if you incur the charge and manage to make the call to the call centre (they make sure you don't get through in anything under five attempts), usually the complaint is not satisfactorily resolved – you feel that you are talking to a stone wall. Most often, either the call centre representative does not understand what you are saying or pretends not to understand. You get the distinct feeling that the representative has no intention of solving your problem. I would stick my neck out and say that the call centres are deliberately staffed with people whose capabilities are questionable. The behaviour is deliberately cultivated to discourage number of complaint calls. In many instances, they are even trained to stonewall customer complaints. 'Make it extremely difficult to complain' seem to be the motto of telecom companies. Is this not plainly dishonest, apart from being unresponsive and lacking in assurance?

There was a period of time, when a particular service provider had a network outage for nearly a week, but yet the company did not give a rebate for service charges to post-paid customers. Some customers who threatened to take them to court got a partial remission, but not in full. The argument put out was that remission is counted only from the time you complained. The customer's explanations that it was very difficult to get across to the call centre were summarily rejected. Is this not both unethical and unfair to customers, apart from the service being *unreliable* and the complaint handling *unresponsive* and *non-empathetic*?

Consider this broadband service provider, who signs up customers at a fancy monthly fee for an unlimited fast browsing plan. The actual speed is not even 10% of what is promised. After several months, the company then goes on to acquire several thousands of new customers at a discounted price, promising even higher speed. Then it goes on to inform its existing customers, who have signed up months or even years before, and are paying a higher rate, that

after a certain amount of download, their speed will be reverted to half of the plan speed (this restriction is not applied to new customers). And they do this in the most irritating manner possible – not by email or sms or landline call. When the customer switches on the broadband connection and types in any url (let us say an email service), they replace the url with their own splash page url. All this is blatantly unethical, unfair and even illegal, apart from being *unreliable* and *unresponsive*. I do not know what TRAI is doing about all this.

Other Services

Lack of ethics in dealing with customers is not just confined to Indian telecom industry. Let me just cite a recent example in healthcare. Consider this corporate hospital, charging fancy fees for any service, conducting a rather painful and discomfoting procedure on a patient, without the doctor briefing either the patient or the accompanying relatives on the pre and post procedural requirements, implications and effects. The procedure places a monitoring implant, which stays for a day, and test results are to be downloaded from the implant, when it is removed next day. But, the patient is not told what requirements must be fulfilled to facilitate the monitoring. The test is, of course, a failure and the patient has not only undergone acute discomfort, but is also poorer by a few thousand rupees. The doctor does not even feel a tinge of remorse or responsibility. He does not even bother to offer redoing the test. In other words, he is not primarily concerned about his patient's welfare, but only in collecting his fat fees through as many procedures in a day as possible – he collects a percentage from the hospital. Would you just call this just *unresponsive* and *unreliable*, or is it a case of criminal apathy? Should the patient take this doctor or the hospital or both to court?

Examples abound in every type of service in India, wherein the conduct of the service provider does not only fail basic requirements of ServQual dimensions, but involves *mala fide* – a deliberate behaviour to short-change the customer.

Suggestion to Service Researchers

In India we now seem to be in an era of degenerated business ethics, which affect customers adversely. The remedy for this may be a stronger regulatory regime or a mass consumer awakening, as witnessed in U.S. a few decades ago, thanks to Ralph Nader. But what is the take for service market research agencies and academic researchers of services management? Is it time to add a sixth dimension to the ServQual – namely Ethics and assign a high weightage for this dimension? I would also suggest that scaling be modified to make a negative score possible for each ServQual attribute: that is, redefine the scoring scale as -10 to +10, instead of the conventional 0 to 10 scale. This will help customers assign a score below zero, if on that service attribute, the firm does not even come up to minimum customer expectations.

If these changes, in the way ServQual is measured, are adopted, would the customer apathetic service firms be able to flaunt high customer satisfaction scores, based on surveys by reputed agencies like IMRB, ORG, Nielsen or J.D. Powers? And would it help in portraying the

companies, which really care about ethics in dealing with customers, in much better light, with much better ServQual scores than their unethical competitors?

I look forward to a lively debate through comments on this article.

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