CORPORATE GOVERNANCE IN THE MEXICAN SMEs - COMPETITIVE STRATEGY

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Abstract
The current governance model is a fundamental change in the corporate culture, given the constant change and globalization of markets, it serves to strengthen the organizational structure of the company, particularly Mexican small and medium enterprises (SMEs) are more vulnerable to change, what comes the interest of "Analyze corporate governance as a competitive strategy in SMEs of Mexico" under the assumption that SMEs are more competitive by adopting management as corporate governance, and if not adopted this strategy, the company may be displaced from the national or international market. As a result the long term, this strategy aims to create social and economic welfare of SMEs, being labor strength in Mexico.

Key words: competitiveness, corporate culture, corporate governance, SMEs.
JEL: D29, D70, D82, F61, F63, G30, H10, L20, M14, M51

Resumen
El modelo de gobierno corporativo actualmente es fundamental como cambio en la cultura empresarial, dada la globalización y el cambio constante de los mercados, pues sirve para afianzar la estructura organizacional de la empresa, en particular las pymes mexicanas que son más vulnerables al cambio, por lo que surge el interés de “Analizar el gobierno corporativo como estrategia competitiva en las pymes de México”, bajo los supuestos de que las pymes son más competitivas al adoptar su gestión como gobierno corporativo; y si no se adopta esta estrategia, la empresa podrá ser desplazada del mercado nacional o internacional. Como resultado a largo plazo, esta estrategia pretende generar bienestar social y económico de las pymes, al ser fortaleza laboral en México.

Palabras clave: Competitividad, cultura empresarial, gobierno corporativo, Pymes.

1. Introduction
Today, society is undergoing a continuous transformation process, reflected in the economic, political and social. This coupled with globalization, characterized by cultural integration, and government markets, where there are involved factors as important as technological innovation through research and development, leading to increased competition among employers, some by survive and others to maintain strong position, changes in which must be constantly changing strategies for the benefit of the organization. One of the biggest impacts caused by globalization has been the free market entry, since previously a firm could remain stable and positioned at national level, but once it started the globalization phase, initially was a competitive advantage for those firms that had vision to grow and had the opportunity to do so, but at the same time has been a threat for those who did not have the technology and capital to do the same. Therefore it emerges the importance of addressing the use of corporate governance as a strategy in Mexican small and medium enterprises (SMEs) and as a way not only to survive, but to compete and even expand their horizons internationally. So SMEs should have an organizational structure that allows an orderly adapt to global change. There are companies that already implement corporate governance as a means to create competitive advantages, and have marked major differences from those that have not. This document was developed through a qualitative study of the characteristics that should be adopted by small and medium enterprises in Mexico, to generate greater competition, greater wealth and greater economic, political and socio-cultural. To this end, for the theoretical framework is considered the agency theory, such as motivating the creation and operation of corporate governance. Considering the objective of this paper is to analyze corporate governance as a competitive strategy in SMEs in Mexico.

Understanding that for change and adoption of corporate governance requires changes of directors, managers, among other major radical changes, so that they are aware of taking the right decisions and safeguard the interests of the company. These changes allow the consolidation of positioning in the market. Considering that many of the familiar Mexican SMEs, the impact would be very favorable and the changes are urgent because studies claim the convenience of going to consultancies, universities, incubators and government institutions that provide enabling developing business.
2. Background

A. Evolution of SMEs in Mexico

Mexican companies have been affected since the 40's due to protectionist trade policies, which led to create incentive systems, biased and prejudiced greatly competitiveness, causing a lack of capital and technical resources for operating production and services. However, despite the complex rules of management, it has been improving the level of perfection. SMEs have the peculiarity that not all research is measured solely by the number of firms. It is also the capital investment, production, value added, number of jobs created, to name a few factors that give rise to determine the complexity and at the same time the importance of SMEs in generating employment and wealth to the country. The following Table 1 below shows the distribution of companies by size:

<table>
<thead>
<tr>
<th>TYPEOFCOMPANY</th>
<th>NUMBER</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>2,605,849</td>
<td>95.5</td>
</tr>
<tr>
<td>Small</td>
<td>87,285</td>
<td>3.2</td>
</tr>
<tr>
<td>Median</td>
<td>25,517</td>
<td>0.9</td>
</tr>
<tr>
<td>Large</td>
<td>7,715</td>
<td>0.3</td>
</tr>
<tr>
<td>Totals</td>
<td>2,726,366</td>
<td>99.9</td>
</tr>
</tbody>
</table>

Source: INEGI (2010)

Some characteristics of SMEs are: little or no expertise in the administration, lack of access to capital, close personal contact between manager and employees, some dominant position in the consumer market and the close relationship with the local community.

B. Features of SMEs in Mexico

As mentioned above, SMEs are the economic center of the country. This is because social overcrowding and the need to raise capital and technical resources for operating production and services. However, despite the complex rules of management, it has been improving the level of perfection. SMEs have the peculiarity that not all research is measured solely by the number of firms. It is also the capital investment, production, value added, number of jobs created, to name a few factors that give rise to determine the complexity and at the same time the importance of SMEs in generating employment and wealth to the country.
3. Approach and delimitation of the problem
The research aims to highlight the importance of Mexican SMEs from strategically to adopt corporate governance, to be competitive and have a positive impact on the economic development of the country. The question that arises from the difficulty for SMEs to survive is: Corporate governance can be implemented as a competitive strategy in Mexican SMEs?

A. Research objective
The research objective of this paper is to analyze corporate governance as a competitive strategy in SMEs in Mexico under the support of the agency theory.

B. Research assumptions
The problems detected, leads to two cases. These are:
1) SMEs are more competitive by adopting management as corporate governance. 
2) If it is adopted a corporate governance strategy type is easy to move the company in the domestic or international market.

4. Justification
SMEs in Mexico mostly have neither advice nor enough technology to be competitive. SME slack of resources and skilled human capital for business development and decision making to strengthen the business and the lack of information and vision of entrepreneurs. It is then, that SMEs are currently involved in a global market, which encourages companies to streamline their processes, train their staff, advice to improve the performance of firms, as well as make use of the technologies. These aspects serve to make the company competitive. Lack of information can affect the degree of being affected in their yields, prices and costs, consequently, become uncompetitive. A factor that also influences the lack of monitoring processes and decisions made by the governance tripod which is comprised of the board, owners and managers (Peng, 2010).

Mexico has gone from being a closed economy, with inward growth, into a country with a new model of outward growth through industrialization and export. The former model was effective from 1940 to 1980, to which was followed by the 1982 crisis because of over protection in exports and over regulation generated monopolies and oligopolies, there was little international competitiveness (Villarreal Villarreal & Ramos, 2001). For the years 90's, the industrial model was booming. Mexico currently exports almost 80% of its production, however, has not diversified model into other parts of the world, because it has focused on the United States and Canada, and the percentage decreases for other countries also have opportunity to exploit and compete as well as we will generate a stability in these times of financial and economic volatility (Ministry of Economy, 2013).

Corporate governance can improve the understanding of the structures and governance mechanisms that benefit the operation of the organization. Peng (2010) defines governance as the determination of the general uses to which organizational resources are deployed and the resolution of conflicts between multiple participating organizations. Corporate governance focuses on the control of the executive personnel interest and the protection of the interests of shareholders in environments where organizational separate ownership and control.

One of the biggest impacts that globalization has generated has been creating more risk, in the sense of more volatile and competitive, but also more opportunities in terms of the emergence of more markets. Several causes lead the companies to redefine their culture and adopt an international business that allow easy adaptation to change and compete more successfully and welfare.

This new culture of corporate governance stands out in-depth assessment of managers and honesty to sustain the business, i.e. really care about the customers, shareholders and employees, and assess organizational levels, the delegation of responsibility and avoid bureaucracy forming multi-functional working teams, seeking an atmosphere of trust and communication within the organization. This is a result of the presence of a senior leadership in enabling to promote good management decision-making for better and faster results.

Mexican SMEs are at a disadvantage in relation to large companies hogging demand, so they (SMEs) are displaced on automatic. This is the motive that explains why they are in urgent need to adapt and adjust to the current environment handled globally, which will enable to be more competitive. This implies a change in attitude to maintain market leadership, then. When buying a good in the global market, no matter the place of origin, Argentina, Mexico or China, the important thing is to meet demand preference sand top with quality standards and marketing process.

Currently, SMEs compete differently. Companies can succeed if they master first at the ways to compete and overcome normal organizational barriers, doing things in a different way, being flexible to change and adapt to it. This leads to a new organizational culture of the 90's to present has been anchoring for change and improvement (Gutiérrez Peñaloza, 2003). Corporate governance is based on tools used for efficient administrative management.
such as coaching, benchmarking, management by values, empowerment, six sigma, quality function deployment, the balanced scorecard, to name a few.

A. Why implement corporate governance in SMEs?

To implement corporate governance helps institutionalize the operation of the company, giving it greater professionalism for decision-making and daily management. Some of the benefits generated by the company are:

1. Have access to public / private finance on better terms and conditions.
2. It can make better business decisions by the existence of timely, accurate and relevant financial reports from generating.
3. There is a clear identification of the levels of authority and responsibility.
4. It becomes clear to third parties and internal staff.
5. Helps improvementsuccessionprocessesgenerational change.
6. Measure the operation and better business performance.
7. Promotes risk management of the company.

Success depends on the belief that the owner or employer has on its advantages (De Gárate Lara Perez & Tenorio, 2010).

5. Theoretical and conceptual framework

It is currently undergoing continuous changes in relation to the business and social world, which is why companies have changed their role and significance, becoming a factor of change and social influence. For further study, read Limón Suarez, 2006 and Koontz & Weihrich, 1998). Dr.PilarBaptista, cited by Limon Suarez (2004) conducted a recent study to define the profile of SMEs and the outstanding results are that they are generally directed by the owner and that in turn are who serve as administrator and centralized decision maker.

For the Organization for Economic Cooperation and Development (Organization Para la Cooperación y el Desarrollo Económico, OECD, 1999), corporate governance refers to the internal means by which corporations are operated and controlled. To be properly implemented, corporate governance helps to ensure that corporations use their resources efficiently. So it can be said that corporate governance is a means to achieve the lead and control the company, in such a way that allow knowing the rights and responsibilities of people who make up the organization, making it possible to establish objectives, procedures, policies and standards with to improved administrative management and can become competitive in the market. Deloitte & Touche (2013) show a model of corporate governance including the parties thereto, and the responsibilities and rights of each of them.

Figure 1. Corporate governance model
Source: Deloitte & Touche (2013).
With the interaction of the parts of the corporate governance, it leads to internal conflicts caused by differences of interest and information asymmetries. The interest is focused on SMEs, because of its importance in the economy as they are generating wealth in the country, covering 98.7% of the total national companies, and generate 45% of GDP (INEGI, 2010). This implies that greater attention must be given to the promotion of technological development and competitiveness in the global market. The absence of structural reforms that are needed to sustain and support the steady loss of competitiveness.

That is why researchers in the field of corporate governance have the opportunity to directly influence corporate governance practices through the careful integration of theory and empirical research. Madhok (2002), argues that a theory of the business strategy should address not only the decision on hierarchical governance or market governance, but also should take into account how a company's resources and capabilities can be better developed and deployed in the pursuit of competitive advantage.

The agency theory is the one that gives rise to the study of corporate governance. Some of the expert authors who have made great contributions to the subject are Dalton, Daily, Ellstrand, &Johnson, 1998 and Shleifer &Vishny, 1997. Jensen &Meckling (1976) proposed in the theory of the agency how the corporation can be, given the assumption that managers are self-interested, and the context in which managers do not bear the wealth effects to take their own decisions. However Berle & Means (1932) point out that the theory is simple. Large corporations are reduced to two participant's directors and shareholders and the interests of each one are supposed to be both expensive and consistent, in addition to considering the idea of that the human beings must be willing to sacrifice their personal interests for the interests of others.

According to Pratt &Zeckhauser(1985), the separation of ownership and control is a subset of a series of economic problems that can be classified as the "principal-agent problem", i.e. recognize the possibility that creativity in the area of governance, can do better. If the agent is given an income that does not depend on effort, there is no economic incentive to work harder, in order to provide security for affected interests (Peng, 2010). Mahoney (2005) discusses the agency theory, which makes some predictions for the control, such as:

1. Monitoring of lower quality is expensive.
2. Agency loss is more serious when the economic interests of principals and agents diverge considerably.
3. Agency theory is simply limited control or completely successful on the company.
4. The economic benefits of reductions in the loss of the agency are shared by the principal and agent in most market situations.
5. The principal and the agent have a common economic interest in defining a structure for monitoring and economic stimulus to produce results as close as possible to the economic result that would occur if the monitoring information were no cost.

The principal-agent theory gives a good reason for the existence of share cropping contracts. This brings the question: Why is there a big difference between theory and practice? Some limitations of the model are:

1. The cost of specifying complex relationships.
2. Executive directors are judged based on criteria that could not be set in advance.
3. Reward restricted or system penalty, usually expressed in terms of monetary payments.
4. The capital intensity, the degree of specialization of assets, information costs, capital markets and labor markets internal and external are examples of factors in the contracting environment that interact with monitoring costs and bonding different practices to determine contractual forms (Jensen & Meckling, 1976, p. 350).

The agency relationship is given to be a contract under which one or more persons (the principals) hire another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent. In this case the relations of most agency directors and agents incur a positive control of the economic costs of union and there will be divergence between the agent's decision and the decisions that maximize the economic welfare of the principal.

6. Methodology

The methodology used for the preparation of this research is based on an empirical approach to qualitative analysis, using electronic sources, literary and scientific, besides statistical databases of government at information. It was collected information and considered one that furnish and give rise to answer the problem to be solved. This research report is considered as a descriptive study because it examines how it is and manifests a phenomenon and its components (Hernández Sampieri, 1991).

The research is considering as the independent variable the corporate governance as a strategy and dependent variable the Mexican SMEs, the competitiveness and the impact factor of agency theory.
6. Analysis of results

Research has developed a wider and clearer appreciation of the role of corporate governance and its importance, leading to consider as a tool to generate competitive advantages in the market. For 2007, the newspaper El Universal (2013) published an article referring to SMEs that remain outside corporate practices in Mexico. However, during the period 2007-2012 the Ministry of Economy announced that advances and supports have been provided to SMEs through the National Program of Promotion and access to Finance for SMEs (Secretaría de Economía, Administración Pública Federal 2006-2012, 2013), shown in Table 2:

Table 2. Supports from the Secretary of Economics (Secretaría de Economía) to SMEs 2007-2012

<table>
<thead>
<tr>
<th>Concept</th>
<th>Annual data</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
</tr>
<tr>
<td>Number of SMEs</td>
<td>102,686</td>
</tr>
<tr>
<td>Financial support from the Secretary of Economics (Millions of pesos)</td>
<td>1,219.7</td>
</tr>
<tr>
<td>Seed capital</td>
<td>1,590.0</td>
</tr>
<tr>
<td>Productive projects</td>
<td>2,757.0</td>
</tr>
</tbody>
</table>

Source: Own elaboration based on Secretaría de Economía (2013).

According to INEGI (2013), in Mexico there are 3,724,019 family businesses across the country, of which 98.35% are concentrated in trade 49.9% (1.85855 million), services 36.7% (1,367,287) and industries manufacturing 11.7% (436,851).

Mexico does not yet implement corporate governance culture in SMEs despite that the government makes great efforts to reach these economic entities that are strength and pillar of the Mexican economy. This is reflected through the Program for Business Debt Market that is intended to fund the institutionalization and installation of Corporate Governance in SMEs through payment of professional services, equipment and systems that help strengthen them so that they become issuing debt candidates on the Mexican Stock Exchange (BMV) (Observatorio PYME, 2013. SME Observatory, 2013).

Note that for the year 2004 was created the Center for Excellence in Corporate Governance (CEGC), which aims to: Providing board members and executives with information, methodologies and best corporate governance practices that will increase the efficiency and transparency levels, facilitate compliance with existing standards and create more confidence from investors to increase their economic value and social (Centro de Excelencia de Gobierno Corporativo, Center for Excellence in Corporate Governance, 2010, p. 2).

The electronic journal of Public Accounting issued by the Mexican Institute of Public Accountants in September 2010 posted an article that talk about the competitive government by SMEs, highlighting their basic functions in order to enable the organization to be managed and controlled efficiently, listed below:

1. Audit function.
2. Function evaluation and compensation.
3. Function of finance and planning.
4. These functions are carried out through two control bodies that are:
5. The Assembly of Shareholders.
6. The Board of Directors

As part of the analysis results, it is noted that in 2010 the company applied the first survey PwCon Corporate Governance in Mexico (EGC). It was done under specific objectives listed below:

1. Obtain relevant information that would confirm the current status of corporate governance (CG) practices and identify to what extent the culture and practices of CG, have managed to permeate different layers and Mexican business positions.
2. To know the form on how are structured the GC bodies headed by the Board of Directors and intermediate bodies of support (Committees).
3. To investigate which of the CG practices are most that register a lower coverage or less effective implementation by companies?
4. To seek the view points of the participants in the survey, about areas of opportunity to incorporate greater number of companies and entrepreneurs to their disciplines (Pymempresario, 2013).

Figure 2 indicates the relationship between the functions and the supervisory bodies.
The relationship between horizontal and vertical size could be negative if coordination costs increase with the number of units produced. In terms of size and concentration of equity ownership, the effect should predominate is diversified risk of shareholders. If the asset size is greater, maintain a certain proportion of ownership of the company to a shareholder requires increasing the risk that the shareholder has, then it is higher the percentage of its equity position in the company. Therefore, it is also expected a negative relationship between heritage and ownership concentration.

1. The third-specific investments lead to more negotiation and the need for the manager to have room to negotiate more freely.
2. Costs of monitoring managers increase the likelihood of agency behavior, thereby increasing the concentration of ownership.
3. Scale economies increase the horizontal size of the business, making it more risky for shareholders owning a certain proportion of their heritage, thereby increasing the concentration of ownership.
4. The agency problem can be mitigated by concentrating the property.
5. There should be no relationship, with the understanding that such needs are part of compensation.
6. External regulations replace controlling shareholders, thereby reducing the agency problem and thus the concentration of ownership (De Garate Lara Perez & Tenorio, 2010).

A clear vision, mission and strategy is communicated to shareholders and repeated frequently. These elements are shared with employees from the point of interview and induction creating a uniform mentality and performance together. Dynamic leadership is visionary and able to stimulate good behavior in the organization. This feature occurs frequently in one person (the highest executive), although teamwork is recommended, especially to ensure continuity in case of rotation at the summit.

8. Conclusions and recommendations

Based on the target set at the beginning, the agency theory can foster entrepreneurial opportunism. However, it is necessary to look for ways to avoid the opportunism proposing policies, regulations and penalties that are established by agreement between managers, shareholders and the board. Managers or agents are directly responsible for effective functioning in the organization (Blair & Stout, 2001). However it is found that there is an area of opportunity for future research in relation to the influence that exists between the tripod of government and performance of the company in question financial and production processes.

Corporate governance is a source of strategies, but it is suggested to considerably on researchers and professionals experts to propose ways of supervision and counseling aimed to improving the company. Corporate governance provides the organization attributes, such as improvement in performance, strengthens the commitment of work. There is greater commitment and confidence of participants from across the organization, which results in contributing to organizational effectiveness and efficiency, although they do not fall into extremes.
A deficiency in the issue has been that the agency theory does not provide meaningful information for resources that it can use the board either behaviors or strategies that can be implemented externally to the organization. This is the reason why it is suggested to use experts in the area.

Recent legislative and regulatory changes in Mexico have facilitated the ability of shareholders to participate in the efforts of activists. These changes are fundamental to the effectiveness of the management system, from the point of view of shareholders, as the effectiveness of ownership concentration depends largely on the efficiency of the legal system that protects property rights of shareholders (Shleifer & Vishny, 1997).

In Mexico, SMEs have been affected by the industrial policies of protectionism and indiscriminately open borders. SMEs require refocusing their culture in order to successfully meet the challenges and opportunities that the environment presents, not to be displaced from international markets and maintain a good position on the national level, to create a pleasant work environment and reliable commitment to employees, customers, suppliers, etc., with the organization. The stakeholders should feel to be part of the organization to achieve their goals and attain competitiveness in the current environment of globalization (Gutiérrez Peñaola, 2003). SMEs need to develop the ability to act in an environment of constant change, competitive, participatory and internationally. In this environment, the manager or owner must be able to understand the political, social, economic, cultural, psychological and environmental. Therefore, it cannot be limited the performance evaluation only to economic and financial variables. This is based on a model of corporate governance as a competitive strategy.

References
JOB SATISFACTION AMONG BANKING SECTOR EMPLOYEES

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Abstract

A satisfied workforce is an asset to any organizations. Nowadays, organizations are considering workforce as the source of competitive advantage which creates both tangible and intangible benefits for the organization and as such they are concerned with employees' satisfaction and well-being. The present study examines factors influencing job satisfaction of employees in banking sector. Job satisfaction is closely related to gratification of needs. Human life has become very complex and completed in now a days. Job satisfaction has its impacts on the general life of the employees also, because a satisfied employee is a contented and human being. In this paper covers the study the problems facing the banking sector employees, HR practices in banking sector, reforms of the banking sector and recent trends in banking sector. In this study deals about the job satisfaction and dissatisfaction of the job.

Introduction

Job satisfaction is closely related to gratification of needs. Human life has become very complex and completed in now a days. Job satisfaction is the satisfaction derived from any pursuit directed by the process of fulfillment of needs. It is the favorableness or unfavorableness with which employees view their work results from specific attitudes of employees in three areas viz., specific job factors, and individual adjustment on the job and group relationship. Job satisfaction is an amount of overall positive affect that individuals have towards their jobs performed studies to determine which factors in an employees work environment caused satisfaction or dissatisfaction. Job satisfaction of industrial workers as very important for the bank to function successfully. Apart from managerial and technical aspects, employees can be considered as backbone of any bank development. To utilize their contribution they should be provided with good working conditions to boost their job satisfaction. Job satisfaction is important technique used to motivate the employees to work harder. It is often said that “A HAPPY EMPLOYEE IS A PRODUCTIVE EMPLOYEE”. A happy employee is satisfied with his job. Job satisfaction has its impacts on the general life of the employees also, because a satisfied employee is a contented and human being. A highly satisfied worker has better physical and mental well being. Job satisfaction were linked to the branch manager assumption of the role their esteem, mobility, representation and tolerance towards uncertainty. On the contrary level of job satisfaction was positively related to psychological well being personal satisfaction and geographical setting. However type of work and lack of verity in the employment are considered important factors in the evaluation of satisfaction, Routine monotony, insecurity limited usefulness and complexity is characteristics that tend to be meaningful with regard to the differences observed in the occupational satisfaction between one group of worker and another. Job satisfaction has important implications on quality of work, experience, employee’s mental health and physical adjustment. Ultimately, it may have a direct or indirect effect on organizational effectiveness influencing productivity absenteeism, turnover and other aspects of employee’s behaviors. However, its measurement poses a complex problem.

Job satisfaction is important in its own right as a part of social welfare, and this taxonomy allows a start to be made on such questions as ‘In what respects are older workers’ jobs better than those Of younger worker?’ and ‘who has the good jobs?’ and ‘Are good jobs being replaced by bad jobs?’ In addition, measures of job quality seem to be useful predictors of future labour Market behavior. Workers decisions about whether to work or not what kind of job to accept or stay in, and how hard to work are all likely to be depend in part upon the workers subjective evaluation of their work, in other words on their job satisfaction. Banking is an institution or a company that provides financial services to all groups of people in a country. Now a day the banks are play an important role in the present scenario. In the banking sector involves employees, customers, deposits, credit cards, debit cards, mutual funds loans and advances etc. The banking sector provides facilities such as ATMs, mobile banking, retail banking, merchant banking, phone banking in India. Banking is essentially service oriented industry, which has sustained itself on its quality services. The banking industry has many other financial services. Job satisfaction in work/job to a large extent is the perceived relationship between what one expects and obtains from ones job and much importance or value attitude to it. Banks play a vial role in the successful functioning of any economy. To the millions of the small formers, artisans other self employed persons, a bank can be a source of credit, which is the very basis of any effort to improve their merge economic lot. Even established trade and industry, big or small, cannot function or expand without the adequate bank credit on responsible terms. For the growing number of educated young men and women, banks offer an opportunity of service to the society.
Naturally banking as part of economic system as a crucial role in this system of growth phenomenon. Economists are now feeling that commercial banks, as mobilizes and purveyors of large monetary resources should influence dynamism into the process so as to accelerate both income orientation as well as economic growth. For this purpose the traditional passive role of commercial banks has been changed into active developmental role so as to contribute welfare of the country by accelerating the process of economic development.

Need and Importance of the Study
In the banking sector those who are working they are doing for their pleasure is for the income aspect. Generally tendency is such that unless women feel necessary she would not go for job. Naturally almost all employees are having about 3 to 4 dependents. Banking sector has got a tradition of rational services an especially for clerks. It means changing of counter bring some level of dynamism. Employees working in rural and semi urban branches seem less satisfied employees with urban and metropolitan cities. The banking sector provides good work environment and job satisfaction among the banking employees. This study analyze the inter group conflict and its impact on employees performance. In Indian banking industry is major crossed in organization climate has potentially rich but largely unrealized role in the development of an organization as well to raise motivation of employee. Job satisfaction has been studied for its possible usefulness to predict job performance and productivity. It is considered to be a topic of great importance to at the moment. This satisfaction in the work place is very much related to our own satisfaction in life. For that reason, there is a great interest manifested in it by directors of corporations, union leaders, workers, psychologists and experts in life quality in general.

According to accomplished studies, the variable of workstation is scarcely meaningful in the determination of occupational satisfaction, one of the especially satisfied groups, is that which corresponds to the intermediate occupational categories of all the variables that influence occupational performance, promotion is the least satisfactory element, for all the workers. The workers perceive their possibilities of promotion, their justice or regularity in the same way, regardless of group in which they are located with respect to the relationship between occupational satisfaction and leadership, participation level in decisions keeps a positive relationship with the satisfaction level, Control of workplace and autonomy in a creative job, contributes to the development of the capacities, abilities and attitudes that a person possess. These factors contribute to a greater implication in the job. The obtained success will also have a result on the satisfaction. However in order for a job to have a satisfactory resulted, the Challenge level has to be moderator with respect to salary and safety in the employment, both variables has great influence upon occupational satisfaction. Safety in the employment occupies one of the first places among the satisfaction factors. However in relation to the salary it can be asserted that it is not so much a source of job satisfaction as of dissatisfaction.

Banking Sector Reforms
Banking sector reforms included. Measures for liberalization, dismantling the complex system of interest rate of controls, eliminating prior approval of the Reserve bank of India for large loans, and reducing the statutory requirements to invest in government securities. Measures designed to increase financial soundness, like introducing capital adequacy requirements and other prudential norms for bank and strengthen banking supervision measures for increasing competition like more liberal licensing of private banks and freer expansion by foreign banks. These steps have produced some positive outcomes. Some of the major reform initiatives in the last decade that have changed the face of the Indian banking and financial sectors are:
1. Interest rates on deposits and lending have been deregulated with banks enjoying great freedom to determine their rates.
2. Adoption of prudential norms in terms of capital adequacy, asset classification, income recognition, provisioning, and exposure limits, investment fluctuation reserve, etc.
3. Reduction of SLR and CLR, thus releasing more lend able resources that banks can deploy profitability.
4. Government equity in banks has been reduced and strong banks have been allowed to access the capital market for raising additional capital.
5. Banks now enjoy greater operational freedom in terms of opening and swapping of branches, and banks with a good track record of profitability have greater flexibility in recruitment.
6. New private sector banks have been set up and foreign banks permitted to expand their operations in India including through subsidiaries. Banks have also been allowed to setup offshore banking units in special economic zones.
7. New areas have been opened up for bank financing, insurance, credit cards, infrastructure financing, leasing, gold banking, besides of course investment banking, asset management, factoring etc are covered in the reform period.
8. Universal banking has been introduced with banks permitted to diversify into long term finance and Direct foreign investment (DFIs) into working capital, guidelines have been put in place for the evaluation of universal banks in an orderly fashion.

9. Technology infrastructure for the payments and settlement system in the country has been strengthened with electronic fund transfer, centralized fund management system, structured financial messaging solution, negotiated dealing system and move towards real time gross settlement.

New Trends of Banking Sector

As a consequence of reforms, several new trends have been emerging in Indian banking. One such trend perceived is shift of focus from process based management to risk based management. Risk have to be identified, categorized and appropriately price based on risk perception. Prime lending rate is now a reference rate. Even below profit lending ratio (PLR) lending is now possible in case risk less. In the case of housing loans, for example, where risk weight is 50 percent banks have fixed interest rate of even 7.50 percent for loans for a period of 5 years. Moving towards privatization is another trend observed in post reform era. The government is slowly reducing its stake in banks. There is a proposal to reduce the ratio of government’s equity to 33 percent from 51 percent. The third trend observed is change in efficiency parameters. Earlier deposits mobilized and outstanding figures of deposits were yardsticks for measuring performance.

Today strength of balance is considered important. Return on assets, per employee productivity, quantum of profits and per employee profits, low ratio of nonperforming assets (NPAs) and net NPA rate and earning per share are considered efficiency parameters today. Another trend observed in post reform era is trend towards universal banking. Even development finance institutions are trying to convert themselves into universal banks. Blurring of distinction between devolvement finance institutions and banks have been observed clear trend in recent years. Increased customer orientation and customer focus are observed on the part of banks in post reforms era. As result of entry of new generation, banks and trend of universal banking competitive pressures are constantly on the increase. Banks are launching new process and new services. Banks are competing in providing facilities such as banking, net banking, phone banking, ATM facility, Retail banking, Virtual banking, Electronic commerce, Basel II norms etc.

HR Practices in Banking Sector

- Human Resource Planning
- Performance Appraisal
- Training and Development
- Motivation
- Employee productivity
- Employee commitment
- Organizational effectiveness

Present problems of job satisfaction in banking sector

- The employees are not satisfied with adequate salary.
- Inadequate time for employees.
- Not having good environmental working conditions.
- Banks does not motivate to new employees.
- They are facing problems with the customers.

Objectives of the study

1. To identify job satisfaction, work performance and organizational effectiveness of employees in the banking sector.
2. To find out the whether people working in different occupations and organizational set up of different levels of the motivation.
3. To create good work environment in banking sector employees
4. To suggest some measures in order to improve employees performance through job satisfaction, motivation in selected banking sector employees.
5. To find out the motivational factors that affects the job satisfaction of banking sector employees

Methodology

The present study is mainly based on secondary sources of data. The data will be collected from the internet, published reports, news papers, articles and journal regarding the employee satisfaction among the selected banks
**Suggestions and conclusions**

This study aimed at finding the job satisfaction among the banking sector employees. Job satisfaction can be an important indicator of how employees feel about their working environment and work behavior such as organizational climate, absenteeism, and turnover. This study brings forth the fact that the differences in terms of job satisfaction, motivation, employee productivity, employee commitment, and organizational effectiveness of the study. This study was explained banking reforms, technologies, and committees, etc., and HR practices are job satisfaction motivation, performance appraisal, recruitment, selection, and development. The present study has suggested that banks should provide much facilities, better solutions, and counseling sessions to the employee.

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A STUDY ON ROLE OF TECHNOLOGY IN BUSINESS EXCELLENCE WITH SPECIAL REFERENCE TO E-COMMERCE WEBSITE FLIPKART

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Abstract

Flipkart is an Indian e-commerce company founded in 2007, by Sachin and Binny Bansal and head-quartered in Bangalore, Karnataka. It is considered as the e-commerce company that made online shopping popular in India which changed the pace of buying habits of Indian Consumer who obviously relies mainly on Touch – Feel – Buy. A critical factor in Flipkart’s success, especially during the initial years, is that the founders are ex-Amazon employees, hence bringing in the required expertise and skill set needed to run and grow an ecommerce portal. Sure they possess great entrepreneurial skills too, which when blended with vertical knowledge, has spun great success for the 5 year old Flipkart. Now Flipkart values more then 9000 crore value. Total Business of Flipkart obviously rely on the Technology aspect only, where they recently launched the same day delivery in Delhi and they want to implement the same model across the India. They are having a vision of using “Drones” in delivery model of their products which gives Flipkart to deliver the product within hours of order given by Consumer. Total aspect obviously will be possible only with the help of the technology only. This paper critically analyses key role played by technology in success of Flipkart business.

Introduction:

The Research provides information about an overall analysis of a leading ecommerce platform in India and thereby examines how the technology has leveraged their strategies with respect to E-business and marketing. The growth of this portal has been precedent in defining the E-business parameters in India.

Electronic commerce, commonly known as E-commerce, is a type of industry where the buying and selling of products or services is conducted over electronic systems such as the Internet and other computer networks. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web at least at one point in the transaction's life-cycle, although it may encompass a wider range of technologies such as e-mail, mobile devices, social media, and telephones as well. Electronic commerce is generally considered to be the sales aspect of e-business. It also consists of the exchange of data to facilitate the financing and payment aspects of business transactions. This is an effective and efficient way of communicating within an organization and one of the most effective and useful ways of conducting business. It is a Market entry strategy where the company may or may not have a physical presence.

Flipkart.com, India's largest online retailer went live in 2007 and since then has grown rapidly with the introduction of innovative features such as collect on delivery, 30-day replacement guarantees and its own delivery network. Today its product portfolio ranges across 14 categories from books to music, mobiles, computers, cameras, home and kitchen appliances, TV and home theatre systems, personal and healthcare products, and the newly launched stationery items. The site ranks among the top 30 in India (per Alexa rankings) and receives more than 12 million visits every month.

Indian E-Commerce Market

1. India’s E-Commerce market is small but is growing stronger by the day
2. India is starting to appear on E- Business organizations’ lists of key international markets – Digital Buyers will grow from 19.2 Million in 2012 to 41.8 Million in 2016.
3. Currently, shoppers in metropolitan India are driving E-Commerce
4. Indian consumers are primarily buying travel, consumer electronics, and books online
5. Estimated E-Commerce revenues will grow US$1.6 billion in 2012 to US$8.8 billion in 2016
About Flipkart:
Flipkart is an online megastore, based out of Bangalore, started in 2007. The company is one of the fastest e-commerce portal in India catering to product categories like books, movies, music, games, mobiles, home appliances, health care and personal care products.

1. Flipkart – One of the leading Indian e-commerce companies headquartered in Bangalore, Karnataka.
2. Founded by Sachin Bansal and Binny Bansal in 2007 with Rs. 4 Lakhs funding.
3. Raised two rounds of funding from Accel India and Tiger global management.
4. Early focus on online sales of books and later expansion of product line.
5. Offers multiple payment methods
6. Path Breaking Services
7. Among the top 20 Indian Web sites in terms of traffic
8. Regarded as the Amazon of India

Journey of Flipkart

- 2007: Flipkart Started
- 2009: Accel India Funded
- 2010: Break Even Point
- 2010: Acquired WeRead
- 2010: Product Expansion
- 2011: Acquired Mime
- 2011: Acquired Mime
- 2011: Product Expansion
- 2012: Acquired LetsBuy
- 2012: Product Expansion
Competitors of Flipkart:-

Flipkart also has to fight off aggressive competition from the likes of Infibeam.com, Homeshop18.com (owned by Network 18, Forbes India’s publisher), Snapdeal.com and Indiaplaza.com. A number of e-commerce companies in India are already offering similar services. Tradus.com (which has common investors with Flipkart) has also launched seller storefronts that allow wholesalers and distributors from across the country to sell directly to consumers. ShopClues.com is another managed marketplace. In books, for instance, Flipkart has over the last few months started raising prices across the board. Ironically, the current market leader in apparel is Myntra, which has Accel and Tiger Global as investors. In online books market, Flipkart has good number of competitors, which includes following: Uread.com; Infibeam.com; Snapdeal.com; Simplybooks.in; Bookadda.com; Dial-a-book; Junglee; Landmarkonthenet.com; Infibeam.com

Objectives of the Study:-

1. To Study how flipkart benefited by using Technology in their E-Commerce Business Process.
2. To Analyze why flipkart has taken as books as their first choice.
3. To study the growth story of Flipkart

Role of Technology in Flipkart Delivery Model:-

IN-A-DAY GUARANTEE is our faster delivery service, where orders placed before 6PM will be delivered the next business day. Orders placed after 6PM will be delivered the day after. Delivery is charged at Rs 90 per item.

Following in the footsteps of its rival Amazon, Indian e-commerce website Flipkart has also launched single day guaranteed delivery, named ‘In-a-day Guarantee.’ The service will allow consumers in select cities to get goods ordered from Flipkart delivered the next day. From Ordering Process to Delivery, Flipkart uses Technology very vastly, even it will give the SMS to the Customer regarding the delivery time and delivery executive mobile number also.

FLIPKART STARTS SIGNING UP VENDORS FOR MARKETPLACE

Once they have signed up, sellers can choose to feature their own products or select from Flipkart’s existing catalogue of products. Although the firm has not clarified whether the marketplace will be integrated with the existing site, the company might be looking at that. If Flipkart, indeed, follows that model, it will be similar to Amazon. The world’s largest e-tailer also gives the option to consumers to buy the same product either from Amazon or from different sellers.
Like any other marketplace, it enables offline sellers to offer a much wider basket of products (much more than what it can stock on its own). Also, customers can choose from a number of sellers, on the basis of different variables (like delivery time, price, warranty, etc.). Flipkart already has a strong logistics setup and is a prominent name in e-tailing business, driving traffic to its site, which will help boost customer confidence in the upcoming marketplace.

**Books is the core selling product of Flipkart.com right from the start.**

Book was chosen because

a. Lower transaction size i.e, Books approximately starts with Rs.100, so it becomes easy for the consumer to trust the new Flipkart.com for 1st transaction rather than mobile phones/cameras.

2. a. Better shelf life.

   b. Shipping and handling of books is easy.

   c. To emerge as a pioneer in book retailing rather than venturing comparison shopping engine.

**Growth Story of Flipkart**

1. Started from 2 employees,2 suppliers and now has around 4500 employees and more than 500 suppliers now.

2. Started with books first then mobiles and accessories as shown below

3. Flipkart had a revenue of 4 crore in FY 2008 - 2009, 20 crore in FY 2009 - 2010, 75 crore in FY 2010 - 2011, and the revenue for FY 2011 - 2012 which ends on 31 Mar 2012 is expected to be 500 crore. The company targets revenues of 5000 crore by 2015

**Order Flow Process of Flipkart**
Future Road Map:-
1. Flipkart is concentrating on Same Day Delivery for the customers who booked order under cutoff time
2. Flipkart’s Dream project is to use Drones in delivery mechanisms.

Conclusion:-
Flipkart is the first billion dollar internet company from India is by far the leading online store in the nation. The overall brand value of Flipkart is good, but it is facing some tough competition from its global competitors like eBay and Amazon. It should focus on Advertising in Tier II and Tier III Cities because much amount of potentiality lies in mostly these cities.
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BENCHMARKING BUSINESS PERFORMANCE

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Abstract

Benchmarking of business processes is usually done with top performing companies in other industry sectors. This is feasible because many business processes are essentially the same from sector to sector. Benchmarking focuses on the improvement of any given business process by exploiting "best practices" rather than merely measuring the best performance. Best practices are the cause of best performance. Benchmarking is the general name given to a range of techniques which involve comparisons between two examples of the same process so as to provide opportunities for learning. Benchmarking can, for example, be used to compare how different companies manage the product development processes; where one is faster than the other there are learning opportunities in trying to understand how they achieve this. The approach has been widely used— for example, in the field of quality management where it is used to drive the development of improvements in business performance, in software development and in developing continuous improvement systems. The present paper consists of benchmarking process and evaluation, and explains the different types, benefits to companies.

Introduction:

Benchmarking of business processes is usually done with top performing companies in other industry sectors. This is feasible because many business processes are essentially the same from sector to sector. Benchmarking focuses on the improvement of any given business process by exploiting "best practices" rather than merely measuring the best performance. Best practices are the cause of best performance. Companies studying best practices have the greatest opportunity for gaining a strategic, operational, and financial advantage. The systematic discipline of benchmarking is focused on identifying, studying, analyzing, and adapting best practices and implementing the results. To consistently get the most value from the benchmarking process, senior management may discover the need for a significant culture change. That change, however, unleashes benchmarking's full potential to generate large paybacks and strategic advantage.

The benchmarking process involves comparing one's firm performance on a set of measurable parameters of strategic importance against that of firms known to have achieved best performance on those indicators. Development of benchmarks is an iterative and ongoing process that is likely to involve sharing information with other organizations working with them towards an agreeable metrology. Benchmarking should be looked upon as a tool for improvement within a wider scope of customer-focused improvement activities and should be driven by customer and internal organization needs. Benchmarking is the practice of being humble enough to admit that someone else is better at something and wise enough to learn how to match and even surpass them at it. The role of benchmarking is to provide management with knowledge of what constitutes 'best performance' or 'superior performance' in a particular field. Best performance relates to output, efficiency, quality and any other assurance relevant to performing the job. Benchmarking not only investigates what best practice means in terms of performance yardsticks but also examine how best practices is achieved. Benchmarking is, therefore, not only the practice of obtaining measurements but also involves understanding the conditions, resources and competence necessary to deliver top performance.

Obtaining, analyzing and understanding global best practice - the benchmarking process

The first step, Planning the Project, involves:

- Establishing the objectives of the benchmarking project
- Defining the boundaries of the benchmarking project – which business processes are included, which geographical areas etc.
- Deciding whether to benchmark “best in class” or “best in industry”. For example, if you were a mining company wishing to benchmark its spare parts warehousing and logistics processes, then you could decide to benchmark yourself against other mining companies (“best in industry”) or you could choose to benchmark yourself against any other companies which have spare parts warehousing and logistics functions, such as the automotive industry (“best in class”). Benchmarking “best in class” potentially will provide greater benefits, in providing insights into good practices that may not yet have filtered into your industry, but is also potentially more expensive. It can also be more difficult to identify potential benchmarking partners, and some of the practices that are identified may not be entirely appropriate for your industry.
- Deciding whether to communicate directly with your benchmarking partners, or to benchmark through a third party. Particularly if you are seeking to

Benchmark within your own industry, many of your competitors may be reluctant to invite you to examine their data (and you may be reluctant to give too much away to them also!). In this situation, benchmarking through an impartial third party may be an avenue to ensure that more reliable data is made available, and that there is more
widespread involvement in the benchmarking project. This impartial third party could, potentially, be an industry or professional body (such as the Society of Maintenance and Reliability Professionals – see below), or alternatively could be a respected consulting organisation.

The second step, **Forming the Teams**, recognises that, to be effective, benchmarking must result in concrete improvement activities. It is important, therefore, that those people who will be responsible for, or potentially affected by, the resulting actions should be identified early in the process, and become involved in performing and/or overseeing the benchmarking activities. Performing formal stakeholder analysis to identify the stakeholder groups or individuals who should be involved in the project is extremely worthwhile at this stage.

The third step, **Identifying the Data**, involves confirming the business processes that you wish to benchmark, and identifying the qualitative and quantitative data that you wish to collect. This step also involves identifying potential data sources, and making decisions regarding where the data will be collected from. A data collection plan should be developed at this point which addresses the following points:

- How will you organise the data that you collect?
- How will you check that the data you collect is relevant, accurate and up-to-date?
- How will you arrange the responsibility for collection data?
- What data will be used from external sources and/or third party publications and databases, and what data will be collected directly from site visits?
- What tools will you use to collect the data and make sure that it is complete?
- How much data do you need?

There are many possible third party sources of benchmarking data – some of these are available via the internet, but almost all benchmarking data costs money.

Some of the benchmarking data is industry-specific, and maintenance benchmarks are only one part of the total benchmarking package. Examples of these include:

- Solomon Associates (www.solomononline.com), for those in the petroleum refining or petrochemicals industry
- Electric Utility Benchmarking Association (www.euba.com) the International Electricity Generation Benchmarking Association (www.iegba.com), or the Generation Knowledge Service (www.beyondbenchmarking.com) for those in the Power Generation, Transmission or Distribution businesses.
- The American Productivity and Quality Center (www.apqc.org), has taken over the International Benchmarking Clearing House, and offers a Knowledge Sharing Network and Best Practices database covering most industries, and several processes, but there is not a maintenance-specific benchmarking study.

Other benchmarking databases are specific to maintenance, and are generally cross-industry databases. There are two, that I am aware of, that are free of charge, but these are of limited value, due to concerns about the quality of the data contained in their databases. The two free maintenance benchmarking resources are:

- MaintenanceBenchmarking.com (www.maintenancebenchmarking.com), This site contains a small number of specific questionnaires/surveys, free of charge, on topics relating to maintenance, such as use of infrared thermography, CMMs benchmarking, Electric Motor Testing etc. These are of limited value, as there is no data cleansing, and they use someone’s preconceived assessment of what represents “best practice” as the benchmark. While these preconceived notions may be accurate, they do not enhance the learning process.
- Plant Maintenance Resource Center (www.plant-maintenance.com/benchmarking.shtml) - a quick, free, survey tool, which collects, by industry, information regarding maintenance costs as a % of estimated equipment replacement value, and maintenance costs as a % of total site costs. Again, this has limited value, as there is no quality assurance on the data that is collected, and there are only two measures collected.

Other, pay for service, benchmarking services and databases that I am aware of are listed below:

- SIRF Roundtables (www.sirfrt.com.au) offers an excellent benchmarking service, consisting of a site visit to collect and validate data, and then comparison with their excellent database of over 100 maintenance organisations. This database has been collected over the last 6 or 7 years, with a significant proportion of the organisations being in the mining industry, but a wide range of other industries are included also, including petrochemical organisations, other continuous manufacturing process organisations, and discrete manufacturing organisations.
- The Society for Maintenance and Reliability Professionals (www.smrp.org) offers its Executive Company members a free annual maintenance benchmarking service. Other non-member organisations can also participate for a very moderate fee. The benchmarking study consists of a detailed questionnaire, in eleven sections, but there is no independent verification of the accuracy of the data submitted.
- The Australian Graduate School of Engineering Innovation, in association with the Maintenance Engineering Society of Australia (www.agsei.edu.au/benchmarking) also offers a benchmarking service, but this is relatively in its infancy.
- There are also many other consulting organisations that offer Maintenance Benchmarking services, including Assetivity, and others.
The bottom line is that you will pay more for a quality database – the free services simply won’t meet the needs of anyone looking to perform serious benchmarking.

The fourth step in the benchmarking process, **Collecting the Data**, involves actually collecting the data in the format that you have previously determined, using the tools that you have selected. If you are using third-party data sources, then you are likely to have more time available to browse the data that is available, and manipulate this into the format that you prefer for later analysis. However, if your data is being collected during site visits, then time is likely to be more limited, and you must, therefore, be highly organised to make sure that you collect all of the data that you have planned to collect. You will need to ensure that the data collection roles of every member of your site visit team are well defined and clearly understood. You should also establish, beforehand, which data collection methods your benchmarking partner is happy for you to employ – for example, at some sites, you may be permitted to take photographs and/or video, while at others, you may not even be permitted to take notes.

The fifth step in the benchmarking process, **Analysing the Data**, involves comparing and contrasting the data that has been collected, and sifting out the important observations from the merely interesting. There are a number of analytical tools that may assist here – at the most sophisticated end (and only possible with large quantities of reliable data) are quantitative statistical analysis tools such as multiple regression analysis, which permit you to identify those factors that appear to have the greatest impact on organisational performance. On the other hand, you may be able to identify significant improvement opportunities by using simple tools such as comparison charts. When performing the analysis, what you are seeking to identify are the key business process enablers. The quantitative or qualitative data that you have collected will assist you to identify those organisations that are performing well, but you must focus on identifying those organisational factors that have enabled this high level of performance to be achieved. In essence, the performance measures tell you how far you may be able to improve, but the enablers tell you how to achieve that improvement.

The final step in the benchmarking process, **Take Action**, involves developing concrete improvement actions, assigning responsibilities for these actions, ensuring that adequate resources are made available for implementing these actions, determining the timing of actions, and then making it happen. This is easy to write in one sentence, but far more difficult to actually achieve! In essence, all improvements need to be effectively project managed, and the most effective organisations simply do not “take their eye off the ball” until the improvements are in place.

**Types of Benchmarking:**

We can affirm that benchmarking means comparing one's organization or a part of it with that of the other companies; in this way, companies can adopt one or more of the following types of benchmarking:

* **Strategic Benchmarking:** Aimed at improving a company's overall performance by studying the long-term strategies and approaches that helped the 'best practice' companies to succeed. It involves examining the core competencies, product/service development and innovation strategies of such companies. This type is usually not industry specific, meaning it is best to look at other industries.

* **Competitive Benchmarking or Performance Benchmarking:** Used by companies to compare their positions with respect to the performance characteristics of their key products and services. Competitive benchmarking involves companies from the same sector. Process Benchmarking: the initiating firm focuses its observation and investigation of business processes with a goal of identifying and observing the best practices from one or more benchmark firms (firms involved in performing similar work or offering similar services).

* **Functional Benchmarking or Generic Benchmarking:** Used by companies to improve their processes or activities by benchmarking with other companies from different business sectors or areas of activity but involved in similar functions or work processes. Regarding this particular type, a company will focus its benchmarking on a single function in order to improve the operation of that particular function. Complex functions such as Human Resources, Finance and Accounting and Information and Communication Technology are unlikely to be directly comparable in cost and efficiency terms and may need to be disaggregated into processes to make valid comparison.

* **Internal Benchmarking:** this involves benchmarking against its own units or branches for instance, business units of the company situated at different locations. This allows easy access to information, even sensitive data, and also takes less time and resources than other types of benchmarking;

* **External Benchmarking:** is used by companies to seek the help of organizations that succeeded on account of their practices. This kind of benchmarking provides an opportunity to learn from high-end performers.
Benchmarking by Industry:

While certain metrics can be valid across multiple industries, many metrics are industry specific. These performance measures more accurately capture supply chain execution performance in the terms and quantities that are more relevant in evaluating how the supply chain is performing. It should be noted that despite the differences in the actual metric used, in all instances, the specific metrics are all functions of productivity, responsiveness, accuracy, and cost and asset utilization — regardless of the industry. Listed below are examples of the metrics used by leading companies in their vertical space and are typical examples of the type of information that needs to be captured as a component of a good benchmarking strategy. The metrics are by no means a complete and comprehensive list but are provided to illustrate the type of key metrics that some industry leaders are tracking and measuring.

Auto

Automakers are subject to certain stocking requirements that obligate them to carry minimum levels of inventory for a predetermined amount of time after manufacture. Consequently, inventory levels are higher, carrying costs are higher, and inventory turns are lower. The factors of most importance to the automaker service parts organization pertain to fill rates and productivity.

Typical industry metrics:

Lines shipped per hour per employee. This metric is simply a barometer of total warehouse output and needs to be supported by individual departmental throughput in order to effect a continuous improvement plan and identify specific areas of improvement. Typical departmental metrics rolled up to support this would be small item pick rates, large item pick rates, etc. Critical order lead-time – goal: overnight. Best-in-class automakers are able to turn critical parts orders around overnight. This is essential to deal with problems associated with “vehicles off road” – namely, vehicles out of commission and requiring immediate attention. To address orders overnight requires that the service parts organization be able to perform the order taking activities, the inventory checks, produce a pick list with considerable efficiency.

Stock order lead-time – goal: under 18 hours. If dealer stock requires replenishment, the efficient warehouse can differentiate between a critical order and a stock order, and prioritize between the two. Addressing stock orders within 24 hours is good, one automaker employing lean warehousing techniques offers lead times of only 18 hours.

Picking error rate – goal: 1 per 1000 lines. The presence of a SCE system cannot completely eradicate picking errors, however, they can be mitigated substantially. A program can be put in place to improve picking accuracy by measuring the root causes and correcting them. Picking accuracies of 99.9% are exceptional, but not unheard of.

Fill rate.: This performance measure is primarily a function of having the correct inventory in the warehouse, and is typically indicative of purchasing effectiveness. However, ensuring that the correct item is in the appropriate location so that the order may be filled drives fill rates up. The levels of inventory to be carried are a corporate decision regarding cost containment, and this will substantially influence overall fill rates. 90 to 95% are considered excellent.

Operating Costs. These vary from facility to facility, and cannot be readily compared. What can be measured is internal improvement as a result of better information obtained from the SCE system.

Inventory accuracy – goal: 99.9%. When measured by location, inventory accuracy is one of the most telling indicators of the importance of a SCE system. Prior to implementing such a system, it is not uncommon to note accuracy levels in the 70 to 80% range (by location) primarily because work-in-process inventory is hard to reconcile without a real-time environment. Post-implementation, levels of 99.9% are not uncommon. This level of accuracy demands real-time cycle counting, accounting for work-in-process, a regimen of frequent cycle counts for fast-moving items, etc.

Number of times material is handled. By reducing the number of people who handle the material, labor costs are lessened. To do so requires an understanding of process efficiency and a commitment to optimize workflow. Internal benchmarks are appropriate for this metric.

Retail

The retail sector, with its sensitivity to consumer demand, is characterized by a need for speed to market and the ready availability of the desired products. As a result high inventory turns are atypical and significant pressures exist to collapse the time from supplier to store shelves. The presence of multiple fulfillment channels also complicate the process and requires substantial sophistication in the fulfillment practices to support store replenishment and “direct to consumer” fulfillment channels. Furthermore, consumer tastes change rapidly, resulting in high return rates. The following are some of the performance metrics pertinent to the retail sector:

Cartons per hour. Products must travel through the distribution channels as rapidly as possible. There are no specific carton/hour benchmarks - these are internal numbers to be measured and improved upon as these numbers can vary depending on factors such as the level of automation, or the style of the facility (pull vs. direct to consumer). This is also measured in terms of throughput – with top retailers having a throughput of less than one
Some retailers measure cartons per hour in receiving, value added services, shipping, and transfers. This metric is simply one of total throughput and must be supported by departmental results in order to effect continuous improvement. Order backlog. If products are languishing in distribution channels, they are not available for consumers. As a result, minimizing backlog is essential. Top retailers have backlogs of less than 2 days.

Pick rates: To satisfy customer requirements rapidly, high pick rates are essential. Not surprisingly, relative to other industries, retail enjoys the highest pick rates. These rates vary by the type of facility, and are substantially influenced by the way work is allocated. As a result, this is a benchmark that must be established internally, so that different picking methods may be evaluated and the optimal method selected.

Return rates. Depending on the type of operation, retail can have return rates as high as 30%. By monitoring the reason for the return, it is possible to identify if the return was due to a pick-error and thus diagnose any picking problems. Using this information, operational improvements are possible.

Inventory accuracy – goal: 99.9%.

Number of times material is handled.

Other Industries
The consumer products industry has specific distribution requirements. Because there are usually many products with markets that may vary due to seasonality or expiry, there is a premium placed on metrics that reflect the ability to fill orders promptly, and the need to carry only an appropriate amount of inventory so as to minimize carrying costs. Cycle times are also an issue so that changing consumer demand may be addressed more rapidly than the competition. In high technology, the distribution characteristics relate to the high value of the products, and this high value is reflected in the metrics employed. For instance, the high value requires that there are tracking requirements such as serial numbers for warranties – compliance and quality measures are essential. Accuracy is also vital, as any losses would be substantial. Speed to market is an important supply chain measure, likewise a measure of the efficiency of value-added services as high tech manufacturers often provide some customization. What is important to note is that each industry, while employing different metrics, all measure productivity, accuracy, velocity, cost, and asset utilization. These are the most important attributes of supply chain effectiveness.

Benefits to Companies:
Benchmarking offers the following benefits to companies and organizations:

- Highlights areas of practice and performance requiring attention and improvement
- Identifies strengths and weaknesses to other respondents
- Establishes company’s true position versus the rest, making thus easier for the company to raise the organizational energy for change and develop plans for action
- Helps measure current company performance
- Prevents reinventing the wheel (Why invest the time and costs when someone else may have done it already – and often better, cheaper, and faster?)
- Accelerates change and restructuring by:
  - using tested and proven practices,
  - convincing skeptics who can see that it works, and
  - overcoming inertia and complacency and creating a sense of urgency when gaps are revealed
- Leads to "outside the box" ideas by looking for ways to improve outside of the industry
- Forces organizations to examine present processes, which often leads to improvement in and of itself
- Makes implementation more likely because of involvement of process owners
- Develop realistic stretch goals and strategic targets
- Establishes realistic, actionable objectives for implementation
- Provides a sense of urgency for improvement
- Encourages striving for excellence, breakthrough thinking and innovation
- Creates a better understanding of competitors and the dynamics of the industry
- Emphasizes sensitivity to changing customer needs. It helps to improve Organizational Performance.
- Increased Customer satisfaction.
- Reduced waste and costs of poor quality
- Reduced overhead through business simplification.
- Transmission of best practice between division.
- It can assist in overcoming complacency and drive organizational change.
- It provides a way to monitor the conduct of competitive position.
Conclusions and Recommendations:

Following is a list of recommendations that should help you establish a benchmarking program so that you may obtain the related productivity and performance gains from your supply chain:

1) When determining the metrics to measure the performance of your supply chain, it is essential to remember that the metrics required may cross departmental and enterprise boundaries, extending to all members of your supply chain. It is also important that collaboration is essential in data gathering across all these entities to extract full value from your program.

2) When evaluating metrics, it is necessary to examine what, if any, unexpected costs or Consequences arise out of any changes in policy, and to consider a goal of continuous improvement on a variety of fronts. Some goals may conflict with others, and a corporate goal of global operational improvement is a priority over departmental improvement.

3) Choosing an established methodology – like SCOR – will best ensure success.

4) When selecting a supply chain planning or execution system to assist in optimizing your operations, its capacity to measure performance, simulate process changes, collaborate, alert and advise of abnormalities in the supply chain, and report results clearly and concisely should be critical attributes of system functionality and are every bit as important as the base functionality itself.

5) In addition to measuring inter-company performance, namely how the internal links in your supply chain function, it is also essential to measure intra-company performance. Your vendors can have a substantial impact on the performance of your own supply chain, and by assessing their compliance and quality; it is possible to avert problems and inefficiencies.

6) In today’s complex supply chain environments, outsourcing of transportation, fulfillment, and value added services, etc., are common business practices. When selecting 3PL providers, it is important that in addition to the services they provide that they also provide feedback through your metrics so that you may assess your global supply chain effectiveness.

Measurement of supply chain effectiveness has substantial and proven benefits to companies that adopt such practices. Yet based on recent studies, few companies do it comprehensively and some, not at all. We believe that the adoption of a formal supply chain measurement process, using YOUR COMPANY as the baseline, will not only provide the necessary information to improve supply chain efficiencies, but will also provide significant competitive advantage.

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FRAMING HRD STRATEGIES FOR A SUSTAINABLE VIRTUAL ORGANIZATION: A CASE STUDY OF ORACLE CORPORATION

Mr. P. Vamsi Krishna
Mr. P. Siddhardha
Dr. B. K. Surya Prakash Rao

Abstract

With the use of many online tools, soft phones and collaborative products, the world is quickly becoming a much smaller place than it used to be. Employees are no longer limited by their physical location, they can work on projects with team members in different time zones or locations. Information technology makes it possible for people to work together without sharing the same physical space, thus, creating virtual organisations. These organisations, basically, consist of networks of individuals/groups having complementary capabilities, join hands till a goal is met (short-term existence) and, at times, continue to work together towards newer goals. As virtual organisations are likely to grow further in the emergence aspect, a number of behavioural and organisational aspects become significant. This paper highlights the Oracle Corporation as a virtual organisation and emphasizes the virtual management practices of the organization and brings the problems faced by the HR department of the organization. Finally, it concludes the HRD strategies to overcome this set of problems.

Introduction:

Virtual organization is used to describe new organizational business forms that emerge with the application of information and communication infrastructures. Members of Virtual Organization can be great trusts as well as small one-person firms. It is imaginable that a self-employed consultant becomes a member of virtual organization and of a multinational corporation at the same time.

Literature review:

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Author</th>
<th>Terminology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure</td>
<td>Byrne (1993)</td>
<td>Network</td>
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<td></td>
<td>Aken et al. (1998)</td>
<td>Network</td>
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<td></td>
<td>Strader et al. (1998)</td>
<td>Network</td>
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<td></td>
<td>Wildeman (1998)</td>
<td>Alliance</td>
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<td></td>
<td>Grenier and Metes (1995)</td>
<td>Form of co-operation</td>
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<td></td>
<td>Wütrich and Phillips (1998)</td>
<td>Form of co-operation</td>
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<td></td>
<td>Mertens et al. (1998)</td>
<td>Combination of core-competencies</td>
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<td></td>
<td>Goldman et al. (1995)</td>
<td>Combination of activities</td>
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<td></td>
<td>Davidow and Malone (1992)</td>
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<tr>
<td>Process</td>
<td>Hale and Whittlaw (1997)</td>
<td>Continuous or institutionalized change</td>
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<tr>
<td></td>
<td>Venkataraman and Henderson (1998)</td>
<td>Strategic approach</td>
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<td></td>
<td>Mowshowitz (1997)</td>
<td>Management approach</td>
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<tr>
<td></td>
<td>Katzy (1998)</td>
<td>Action or ability</td>
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</tbody>
</table>

Adapted from (Saabel et al., 2002) shows how the literature reflects the two views.

Oracle Corporation:

Oracle Corporation is an American multinational computer technology corporation that specializes in developing and marketing enterprise software products — particularly database management systems. As far as Human resource practices are concerned, recruiters at Oracle Corporation will use the technology available to them to source, attract and hire candidates for roles in countries/cities outside of their location.

In oracle corporation recruiters will find jobs for people and hiring managers they may have never physically met. As technology continues to develop to allow us to do many of the things Oracle is a "workplace" is...
where we will see more people working in virtual teams and offices. Most of the people in Oracle organization will
work in a virtual team - colleagues are based around the world with people in Europe, Africa and North America
regularly. We all know what we have to do and work together with a common goal of finding the best people for
Oracle. For example a person is based in Melbourne, Australia have successfully placed candidates into roles here at
Oracle across Australia, New Zealand, Philippines, India and Singapore. There have been times where the people
worked together with Managers and Candidates who have never physically met - the relationships with some of the
on-line networks is stronger than what some people have with their real world contacts.

Organizational structure Levels at Oracle Corporation:
It consists of:
1. **Individual level or sub-intraorganizational** is regarding local tasks involving a group of people in a distinct
organization via distance communication process.
2. **Organizational level** when information technologies is used to coordinate the activities of the organization as
an integration.
3. **And interorganizational level** is the last layer where numerous organizations utilize the information
   technologies to coordinate an economic activity (see the picture below).

The virtualization process of an organization may outcome a:
**Virtual team**, which is the simplest form of a VO, is a local team using information technologies to coordinate their
connectivity and share their knowledge at lower cost. **Virtual project** can involve several people or organizations in
the realization of certain task which are a beginning and designated end.

<table>
<thead>
<tr>
<th></th>
<th>Virtual Teams</th>
<th>Virtual Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Range of Involvement</td>
<td>Internal to an organizational function or departmental unit</td>
<td>Across functions and organisations</td>
</tr>
<tr>
<td>Membership</td>
<td>Small, local</td>
<td>Indeterminate</td>
</tr>
<tr>
<td>Mission</td>
<td>Teams on specific, ongoing tasks</td>
<td>Multiple organizational representatives working on specific projects</td>
</tr>
<tr>
<td>Length of project</td>
<td>Membership varies, but form is permanent</td>
<td>Temporary</td>
</tr>
<tr>
<td>Uses of IT</td>
<td>connectivity, sharing embedded knowledge (e-mail, groupware)</td>
<td>Repository of shared data (databases, groupware)</td>
</tr>
</tbody>
</table>

**Oracle Corporation problems in the Virtual Organization:**
Since oracle corporation adopts special “virtual” nature of the virtual enterprise, the human resources
management department faces new problems:
(1) The problem of lacking a same goal.
(2) Communication problems.
(3) Problems caused by lack of trust.
(4) Culture differences in member companies.
(5) Employee incentive problems.
Sustainable Human Resources Management Strategies in Virtual Organizations:

For the human resources management problems in virtual organizations, it is critical to timely identify and fix them effectively, otherwise there will be loss of talent. This is imperative to ensure the positive development of the enterprise.

- Must establish a common goal.
- Develop trust and good relationship
- Cross cultural training
- Assist employee personal development.
- Maintaining a Good Communication
- Scheduling Meetings and Online Conferences
- Ongoing Feedback and Support

Conclusion:

Virtual organisations are a reality today as economies are forcing organisation to reduce costs, improve productivity. There is a downside, however. Physical and emotional contact is absent and there are inhibitions arising from the lack of face-to-face interactions, creating anonymous organisations. So the HR department in organisations must ensure a framework that is needed to ensure that trust among employees, self regulation, by the employees and monitoring mechanisms ‘human-ness’ in organisational and managerial dealings of the organisation.

References:


E-BUSINESS AND SUPPLY CHAIN MANAGEMENT
- A NEW METHODOLOGICAL APPROACH

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Introduction

Supply Chain Management has generated substantial interest in recent years for a number of reasons. Managers in many industries now realize that actions taken by one member of the chain can influence the profitability of all others in the chain. Many international business researchers are of the opinion that increased globalisation of markets and increasing international competition imply that firms in all nations will face similar, if not identical, competitive environments. In India due to liberalisation of economy, the companies are facing acute competition in the international markets. Many manufacturing companies are forced to improve the quality of their products and reduce their manufacturing costs. This paper is divided into two parts. First part deals with how e-Business is changing supply chains. Second part of the paper is designed to examine the related research in this area. For the purpose of the study, the e-Business applications are divided into three categories:

* E-Commerce
* E-Procurement
* E-Collaboration

E-commerce helps a network of supply chain partners to identify and respond quickly to changing customer demand captured over the Internet. E-procurement allows companies to use the Internet for procuring direct or indirect materials as well as handling value-added services like transportation, warehousing, customs clearing, payment, quality validation and documentation. E-collaboration facilitates coordination of various decisions and activities beyond transactions among the supply chain partners, both suppliers and customers over the Internet.

The main objective of Supply Chain Management is ‘Customer Satisfaction’ and to achieve this, all roadblocks are eliminated in between ultimate customer and the raw material supplier.

Features of Supply Chain Management

* Customer focus
* Retaining existing customers
* Streamlining of operations
* Minimum Fixed Cost
* Elimination of paper work
* Just in time
* Transparency at all levels
* Developing multiple supply sources for a multiple components
* Customer value enhancement and cost reduction

E-COMMERCE

Buying and selling on the Internet is known by the generic term e-commerce, just like e-mail, which is the way of sending mail through the net. Business on the net is classified into B2B (Business to Business), B2C (Business to Consumer) and C2C (Consumer to Consumer).

B2B transactions are largely between industrial manufacturers, partners, and retailers or between companies. B2C transactions take place directly between business establishments and consumers. B2B sites are essentially the net meeting points for buyers and sellers of the industrial world. They serve a limited number of customers. The Turnover would be many times that of the most B2C sites and most importantly they make profits. B2C sites are offering low value items CDs, Cassettes, Food, Toys, Flowers, and Cards etc because no complicated logistics are involved. C2C sites don't form a very high portion of web-based commerce. Most visible examples are the auction sites. Basically, if some one has something to sell, then he gets it listed at an auction sites and others can bid for it.

E-PROCUREMENT

The Internet offers a natural platform to facilitate efficient procurement as numerous buyers and sellers find each other and transact according to some pre-specified protocols. The following are the procurement strategies available for a manufacturer.

* Strategic Partnership
* Online Search Strategy
1. **Strategic Partnership**  
Strategic partnership strategy is to develop a long-term supply relationship with a specific supplier.

2. **Online Search Strategy**  
Online Search Strategy is to shop online for a better price.

3. **Combined Strategy**  
The combined strategy is to combine both – sign a long-term purchase contract with a supplier upto a certain level, but if necessary additional quantity may be purchased online.

**E-COLLABORATION**  
We define e-collaboration as business-to-business interactions facilitated by the Internet. These include information sharing and integration, decision sharing, process sharing and resource sharing. There are many new cases that examine different elements of collaboration from information sharing and integration to process and resource sharing. Several cases have highlighted the impact of information integration on some particular aspect of the supply chain. Some of the cases are focused on managing supply while others are more focused on the customers. For example, the Solectron case focuses on how the use of information has transformed Solectron from a simple contract manufacturer into a full service supply chain integrator. General Motors and Lufthansa cases illustrate how information can be used to increase customer loyalty and manage the prices.

**RESEARCH IN SUPPLY CHAIN MANAGEMENT**  
Research in Supply chain management has identified twelve distinct management areas that are associated with the subject. Each area represents a supply chain issue facing the firm. For each area, we provide a brief description of the basin content and refer the reader to a few articles that apply. The twelve categories are,

* **Location**  
* **Transportation and logistics**  
* **Outsourcing and logistics alliances**  
* **Sourcing and supplier management**  
* **Marketing and channel restructuring**  
* **Inventory and forecasting**  
* **Service and after sales support**  
* **Reverse logistics and green issues**  
* **Product design and new product introduction**  
* **Information and electronic mediated environment**  
* **Metrics and incentives**  
* **Global issues**

1. **Location**  
Of the twelve categories, decisions in this area have perhaps the longest time horizon. Decisions at this level set the physical structure of the supply chain and thus create constraints for more tactical decisions such as transportation, logistics and inventory planning. Engineering tools such as mathematical models of facility location and geographic information systems are very useful in sorting the location choices.

2. **Transportation and logistics**  
It includes all issues related to the physical flow of goods through the supply chain, including transportation, warehousing and material handling. This category addresses many of important choices related to transportation management including vehicle routing, dynamic fleet management with global positioning systems and merge-in-transit.

3. **Outsourcing and logistics alliances**  
It examines the supply chain impact of outsourcing logistics services. With the rapid growth in third party logistics providers, there is a large and expanding group of technologies and services to be examined. These include fascinating initiatives such as supplier hubs managed by third parties.

4. **Sourcing and Supplier management**  
This category addresses the issue of outsourcing components and the management of the suppliers who provide them. Make/buy decisions fall into this category. These decisions should involve top managers and strategic thinkers because they can literally define the future of the firm. For example, IBM to outsource its PC operating software to Microsoft and its central processing unit to Intel.

5. **Marketing and Channel restructuring**  
It includes critical decisions related to getting the products from a firm's factories all the way into the customer's hands. As with facility location, these decisions impact the supply chain structure as well as define an interface with marketing.

6. **Inventory and forecasting**
It includes techniques for ongoing inventory management and demand forecasting. Industrial engineers and operation managers have employed statistical models for forecasting and inventory planning. Stochastic inventory models can identify the potential cost savings from sharing information with supply chain partners, but more complex models are required to coordinate multiple locations.

7. **Service and after sales support**
   This category covers the important issue of providing service and service parts. Some leading firms, such as Saturn and Caterpillar, build their reputations in this area, and this area and this capability generates significant sales.

8. **Reverse logistics and green issues**
   This area examines both reverse logistics issues of product returns and environmental impact issues. Growing regulatory pressures in many countries are forcing managers to consider the most efficient and environment friendly way to deal with product recovery. Product recovery includes the handling of all used and discarded products, components and materials.

9. **Product design and new product introduction**
   It deals with design issues for mass customisation, delayed differentiation, modularity and other issues for new product introduction. Traditionally, products destined for world markets would be customized at the factory to suit local market tastes. The customized product is desirable and managing worldwide. Thus if the French version selling well, but the German version is not, German products can be quickly shipped to France and customized for the French market.

10. **Information and electronic mediated environments**
    This category addresses the impact of information technology to reduce inventory and the rapidly expanding area of electronic commerce. It focuses attention on integrative ERP software such as SAP and Oracle as well as supply chain offerings such as Manugistics, i2's Rhythm and Peoplesoft's Red pepper.

11. **Metrics and Incentives**
    It refers to the measurement of both engineering and organisational processes and the related economic motivations. Several recent articles concentrate on the link between performance management and supply chain management.

12. **Global issues**
    It considers the issues beyond local country specific operating environments to encompass issues related to cross-border distribution and sourcing. For example, currency exchange rates, duties and taxes, freight forwarding, customs issues, government regulation and country comparisons are all included.

**Conclusion**
Supply chain management is indeed a large and growing field for both engineers and managers. Nearly all major manufacturing consulting firms have developed large practices in the supply chain field and the number of books and academic research papers in the field is growing rapidly. In fact, each of the twelve areas covered in our treatment of supply chains are important in themselves. Finally, the Internet continues to change many fundamental assumptions about business, pushing managers to continue to evolve their supply chain practices or find themselves driven out of the market.

**References:**
THE SIGNIFICANCE OF KNOWLEDGE MANAGEMENT SYSTEM

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**Mr. S. Praveen

***Ms. B. Kalpana

Abstract

Due to globalization of economy, rapid growth in information technology, increase in knowledge based work and competition pressure the concept of knowledge management has gained momentum in recent years. Knowledge Management efforts typically focus on organizational objectives such as improved performance, competitive advantage, innovation, the sharing of lessons learned, integration and continuous improvement of the organization. Knowledge management has also become a cornerstone in emerging business strategies such as Service Lifecycle Management (SLM) with companies increasingly turning to software vendors to enhance their efficiency in industries including, but not limited to, the aviation industry. Knowledge management can also be used as marketing and retention tool for new and existing clients by showing the behind-the-scenes investment the firm puts into its practice. Knowledge management is more of a discipline than just a thought or process. Management based structures, IT sectors, organizations with a tagline of business, all such formations have a separate concentration for knowledge management now, as its importance and flow keeps increasing as each year passes by. Knowledge management goes hand in hand with learning process in an organizational structure, which is mostly thought to substitute the latter.

1.0 Introduction

Knowledge Management comprises a range of strategies and practices used in an organization to identify, create, represent, distribute, and enable adoption of insights and experiences. Such insights and experiences comprise knowledge, either embodied in individuals or embedded in organizational processes or practice. KM includes courses taught in the fields of business administration, information systems, management, and library and information sciences. More recently, other fields have started contributing to KM research; these include information and media, computer science, public health, and public policy. Many large companies and non-profit organizations have resources dedicated to internal KM efforts, often as a part of their 'business strategy', 'information technology', or 'human resource management' departments. Several consulting companies also exist that provide strategy and advice regarding KM to these organizations.

Knowledge Management efforts typically focus on organizational objectives such as improved performance, competitive advantage, innovation, the sharing of lessons learned, integration and continuous improvement of the organization. KM efforts overlap with organizational learning, and may be distinguished from that by a greater focus on the management of knowledge as a strategic asset and a focus on encouraging the sharing of knowledge. KM efforts can help individuals and groups to share valuable organizational insights, to reduce redundant work, to avoid reinventing the wheel per se, to reduce training time for new employees, to retain intellectual capital as employees turnover in an organization, and to adapt to changing environments and markets.

1.1 What is a knowledge-management system?

Before looking at how knowledge management benefits the firm, it is important to understand what a knowledge-management system is. If one accept that knowledge is the principle economic resource that businesses such as law firms have to offer their clients then knowledge pervades every aspect of the firm, and a knowledge-management system can encompass many differing aspects of knowledge. There are numerous definitions of what knowledge itself is and how it differs from data and information. However, in practice it is important to share all relevant forms of knowledge, know-how and information that enhance the firm’s business.

When thinking about setting up a knowledge-management system, firms often focus on IT, but this is only a conduit for housing and disseminating the knowledge around the firm. Those setting up the system need to identify the type of knowledge the firm should share to benefit its business. Generally, there are four sources of knowledge in law firms:

- Published material, such as library resources, including online material
- Personal knowledge and experience of the lawyers and others in the firm
- Knowledge contained in a lawyer’s work product, for example, letters of advice, agreements
Specially created knowledge, for example, precedents created by professional-support lawyers.

The knowledge-management system should focus on creating, capturing and disseminating knowledge and information from the above sources that support the firm’s strategic aims. Always remember that managing such knowledge may not necessarily mean codifying it onto a computer system, for example, tacit knowledge is often best transferred between people directly. In this situation, the knowledge-management system could facilitate putting people in touch with each other. It is better to think of knowledge as a flow between the four sources, rather than as a static object, and this will help identify the appropriate actions to manage it. For example, published material may inform personal knowledge and experience, which manifests itself in work products and which may then be incorporated into specifically created material. Also remember that useful knowledge for the firm’s business is not restricted to technical legal knowledge, but the same principles can be applied to client knowledge or financial and marketing information to help the firm achieve the benefits it desires.

2.1 The knowledge economy

We are now living in a knowledge economy where the principal economic resource businesses have to offer their customers is knowledge. While most businesses can now claim to be knowledge businesses, this is particularly true of law firms that sell the knowledge and skills of their lawyers to their clients. A large part of the value of managing knowledge, for example, collecting fee-earner advice/work documents and making it available to all members of the firm, lies in preserving knowledge that would otherwise be lost when individuals leave the firm. Particularly in recessionary times, when there is likely to be a higher turnover of staff, the firm does not want to lose all the valuable investment it has made in individuals if it can help it.

It is argued that knowledge businesses’ ability to survive depends on their ability to transfer knowledge between their members to counter the effects of key individuals leaving. Repositories of collected and combined knowledge become part of the firm’s organisational memory and can become an asset that belongs to the firm, outlasting the original contributors of knowledge. It is important to keep such repositories fresh with constant contribution to and updating of the shared knowledge. Both professional-support lawyers and fee earners play an important role in this. Not only can knowledge be preserved for continuing members of the firm, but it is also a resource to help new recruits bring themselves up to speed more quickly with the firm’s work. This highlights the next set of benefits associated with knowledge management.

2.2 Efficiency and quality

Most firms have recognised that the key benefits of knowledge management are increased efficiency and quality. Many law firms undertake knowledge-management projects, particularly when they become larger, to prevent their lawyers from reinventing the wheel when they can re-use work that other lawyers in the firm have already carried out. This efficiency has knock-on benefits, such as allowing senior lawyers to delegate more work to junior lawyers and concentrate on higher-value work themselves. This increases realisation and indeed can increase profitability on the work.

This latter benefit depends on the firm being able to realise that it carries out work faster and more cheaply due to the re-use of knowledge by appropriate charging methods, such as fixed or market-based fees. These take into account the time saving, but leave a greater margin of profit than charging by the hour. This is quite a change for a lot of firms who still rely on hourly charging, although the signs are that more clients are requiring fixed or value-based charging. With yearly increases in fee rates becoming more difficult to achieve, efficiency will become a key driver of profitability.

Quality is regarded as one of the most critical factors in the successful delivery of legal services and most clients now take technical quality as a given. Knowledge management facilitates the sharing of knowledge and helps provide a consistent high-quality legal service across the firm. Law firms are also focusing more on risk management, particularly in post-Andersen days. Maintaining quality of advice through up-to-date knowledge is an important tool for this. Knowledge management can also be used as marketing and retention tool for new and existing clients by showing the behind-the-scenes investment the firm puts into its practice. Client satisfaction can, therefore, be another important by-product of knowledge management.

2.3 Client satisfaction

Many law firms are moving towards sharing at least part of their knowledge resources direct with clients, either as an added-value extra to maintain a profitable relationship or as a new product sold to clients in its own right. Flag service is an example of know-how resources being sold to clients over the internet. Innovation arises out of the cross-fertilisation of knowledge so knowledge management can lead to the creation of new products and services.
2.4 Internal benefits

Not only does knowledge sharing help with a range of decision-making processes due to the capture of past experience, but as knowledge-management systems become more prevalent in law firms, they are likely to become selling points for the recruitment and retention of lawyers. Where it is difficult for an individual to keep abreast of the increase in European legislation as well as their own national legislation, a good knowledge-management system gives lawyers comfort in the support the firm offers them. It is also likely to be regarded by lawyers who grow up with such systems as an essential element of their professional lives. It serves as a training tool in that an individual lawyer’s stock of personal knowledge can be increased by tapping into the shared knowledge resources. It can also motivate fee earners in their work by removing the more repetitive elements of legal work, for example, through use of standard precedents, and allowing them to concentrate on the more interesting and novel aspects of practice.

Establishing knowledge management as a key function of a firm can also have an effect on the culture of a firm as a whole, predicated as it is on people sharing their knowledge. It can, therefore, foster a sharing environment where lawyers are more willing to work together in teams and combine their knowledge for the benefit of the firm’s practice and its clients. Software tools in knowledge management are a collection of technologies and are not necessarily acquired as a single software solution. Furthermore, these knowledge management software tools have the advantage of using the organization existing information technology infrastructure. Organizations and business decision makers spend a great deal of resources and make significant investments in the latest technology, systems and infrastructure to support knowledge management. It is imperative that these investments are validated properly, made wisely and that the most appropriate technologies and software tools are selected or combined to facilitate knowledge management.

As one might expect with such a wide range of potential benefits and an asset as intangible as knowledge, there can be difficulty showing management the causal link between knowledge management and benefits such as improved firm performance. This is an area with which knowledge-management professionals must grapple if they are to avoid general management questioning the tangible value of the initiative.

The difficulty arises as knowledge management does not stand alone in relation to realising benefits. As noted, knowledge management converts efficiency benefits into profitability, but this depends on other actions such as ensuring the right level of people are carrying out the work to match the knowledge and setting pricing policies that realise the benefit. Retaining lawyers, and thereby reducing the costs of staff turnover, may be partly due to the firm’s knowledge-management system, but may also rely on other factors, such as rates of pay. Law firms still rely heavily on financial measures of success, such as direct return on capital, but knowledge capital is not easily susceptible to such measurement.

Nevertheless, to avoid senior management regarding knowledge management as a pure overhead activity, knowledge managers need to collect as much evidence of the effect of the systems as they can. This will often present itself in the form of anecdotal evidence, for example, someone who can say that having a document on the system saved those two hours of research. These success stories and measures of the growth of knowledge resources should be captured to justify and encourage investment in this area.

3.0 The importance of knowledge management

At the end of the day, knowledge management, despite its name, relates to some very basic aspects of good law-firm management, which is essential for the survival and growth of a firm. Nor is it just an activity for large firms. Small firms may not be able to invest in expensive IT infrastructure or employ dedicated professional-support lawyers, but the size of their firm may enable their knowledge management to be based around sharing knowledge among their members and housing it in folders on their standard IT systems, for example. For those firms wishing to get through recessionary times in the best possible shape, maintaining their knowledge-management systems will pay dividends both in the short and the long run.

Knowledge management is a term that stays vast and vivid from the day of its existence, which dates back in time. Knowledge management is of much indulgence and given thought into, at organizational levels. It comprises of the methodology and practices that are put into use to accumulate differentiate, and arrange thoughts and insights of individuals at a constant rate. This is of great help and need to all, both at individual and in terms of a group or even at organizational context. Knowledge management is more of a discipline than just a thought or process. Management based structures, IT sectors, organizations with a tagline of business, all such formations have a separate concentration for knowledge management now, as it’s importance and flow keeps increasing as each year passes by. Knowledge management goes hand in hand with learning process in an organizational structure, which is mostly thought to substitute the latter. But both are different and vivid in senses of their distinct values. The actual purpose of knowledge management cannot be enclosed into a nutshell, because the term lays vast. Purposes are to improve relations between individuals, higher and improved rate of connectivity, solving disputed problems with ease and outstanding outcomes, increasing the know-how of individuals and groups across the sector or organization.
as a whole, to mention a few. Blogs and yellow pages are examples, which bring the actual picture of knowledge management to light.

Knowledge management is still growing and has now become an integral and unavoidable part of society as a whole. Intranets, data warehouse, group conferencing, etc. forms what can be put simple and straight, i.e. knowledge management. Knowledge management has a scope that keeps increasing with each second passing by. The actual reason for such a vast scope is, because knowledge never ends, but keeps increasing, and modified with new inputs and outcomes in the global market and world as a whole.

4.0 Conclusion

Knowledge management programs can yield impressive benefits to individuals and organizations if they are purposeful, concrete, and action-oriented. The concept of Knowledge Management has evolved towards a vision more based on people participation and emergence. Knowledge management helps facilitate innovative thoughts, sharing of beneficial work points and knowledge that would stay explicit, without such a discipline. Actively managing knowledge into common access points to make work and situations easy and comfortable is one point of support to knowledge management from a vast bunch of thoughts. Acquiring for knowledge is never an easy or effortless job. They have to be extracted and accumulated through different sources in vivid ways known. Providing rewards, persuasion through mechanisms and ideas that would encourage the source to providing information, reviews provided on such accumulations, usefulness of repositories, all, constitute to how successful the knowledge management is.

References
DETERMINANTS OF BUSINESS EXCELLENCE
A STUDY OF SELECTED COMPANIES

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Abstract
The need to excel in Business for companies have been emphasized repeatedly in recent global literature. The companies have moved on from quality focus to excellence focus. Several excellence award Models are in use that include European Quality Award given by EFQM, Malcolm Baldridge award in USA and various others. The focus of these models is to win excellence awards and self assessment. Companies should focus on becoming world class organization. There are several business practices that are used by successful and excellent companies. The importance of leadership style, Organization type and strategies, Core values and Growth strategies are fairly established. The companies have been increasingly using Mergers and Acquisitions for rapid inorganic growth to meet global challenges. The paper reports a part of research carried out in sample of best performing Indian listed companies. Less researched determinants used for achievement of business excellence have been explored. The paper presents results of empirical research in Indian companies as also testing of Leadership style typology developed by S. Hart and Organization types proposed by Miles and Snow.

Key Words: Factors of excellence, Business Excellence, Determinants of Excellence, Business performance, Excellence in Indian companies

Introduction
Business Performance Excellence is achieved when an organization is generating the maximum level of profitability possible given the human, financial, capital, and other resources it possesses (Luftig, 2005). Several definitions have been given about business excellence like the definitions given by European Foundation for Quality Management (EFQM) and scholars like Gopal Kanji (2002) and Pravin Rajpal (2007). However, the author after going through various aspects of excellence believes that, business excellence is achieved by a firm when it is able to procure requisite resources and apply them consistently in a unified manner to deliver superior results over its nearest competitors irrespective of macro-economic conditions. Such firms are best-in-class and are companies of endearment to their customers, and for society in general Aim of achieving excellence is to reach a world class status. It is a journey that continues as benchmarks and technologies keep changing with time. A research project was undertaken from 2009 to 2012 to identify the best practices used globally by top organizations, and to identify benchmarks used by world class companies.

Not much work was done in India before at academic level to define excellence and develop excellence model by establishing causality of business practices on business results. Leadership development, organization communication, and organization strategies form important inputs for success of any organization. Every successful business has some business model and a few key success factors. All successful organizations regularly carry out SWOT (Strength, Weakness, Opportunity, and Threat) analysis and measure the vulnerability of their business to onslaught of globalization, new technologies influx, and rising competition. To make things worse, the changing preferences, rising expectations and diminishing loyalty of customers make things difficult for organizations. We all remember how in early 90s consumers suddenly dropped scooters and went in for motorbikes sending great companies like Bajaj Auto in jitters.

Those organizations that excel, often set vision for industry leadership and for future, have developed strong organizational core values that employees identify with, and have succeeded in developing strong brands, which, the customers trust. The route of mergers, acquisitions, or management takeover of businesses as growth strategies has been fairly established as an important factor for strategic inorganic growth and becoming globally competitive.

The organizations adopt various growth strategies to sustain business and grow in it. Organizations that stagnate lose market share and competitiveness and may ultimately fail. Several strategies adopted by successful organizations were studied and the responses were received from sample companies in India. Hence the data were collected on various aspects of excellence from the best performing listed companies in India to find out how they are organized on various factors and what they think about business excellence. Since most of leading companies in India are now operating globally, they are globally competing and their responses may as well apply to companies across the globe. This paper presents relatively less researched aspects of business excellence determinants like leadership styles, Organization type and strategies, Growth strategies adopted by successful firms, critical success factors, and perceptions of companies about what constitutes excellence, in this context.
Review of literature

Business excellence, as described by the European Foundation for Quality Management (EFQM), refers to "outstanding practices in managing the organization and achieving results, all based on a set of eight fundamental concepts." These concepts are: "Results orientation, customer focus, leadership, and constancy of purpose, management by processes and facts, people development and involvement, continuous learning, innovation and improvement; partnership development, and public responsibility.

Guile and Fonda (1999) comment, “Businesses have had to learn how to operate more flexibly and how to integrate functionally separated tasks into horizontal work processes. Multi functional teams are replacing management hierarchies as the primary method of delivering results. Organizations have learned to appreciate the significance of their intellectual capital and to be aware of the need to develop and nurture it. This applies very well to most Services and of course to Design based product sectors like Automobile, Aviation, and Electronics. In “10 pillars of world class companies” by Success Network International, USA, Two of the 10 pillars mentioned are Communication and Leadership. On communication they assert, “One definition of Business is a network of communication against a background of relationship. Great companies operate with exceptional communication. They tell the truth with compassion. They create more light than heat. All communication-Internal & external –is honest, clear and on purpose”. On leadership it goes on “No Company can excel and endure without strong, committed leadership. And when leadership is available at all levels, magical things happen. Great Companies are result of excellent leadership that is not dependent upon personalities, but rather on principles, values, and convictions” Jim Collins (2001) asks the question in his book „Good to Great”, „Can a good company become a great company and if so, how?” Besides adopting hedgehog concept in which company sticks to what it knows best, making the transition from good to great doesn't require a high-profile CEO, the latest technology, innovative change management, or even a fine-tuned business strategy. At the heart of those rare and truly great companies was a corporate culture that rigorously found and promoted disciplined people to think and act in a disciplined manner.

Leadership style Typology of S. Hart

Organization Leadership style can be identified as closer to any of 5 choices (rows) below that best describe organization’s leadership style.

<table>
<thead>
<tr>
<th>Choice</th>
<th>Type</th>
<th>Style</th>
<th>Role of top Management</th>
<th>Role of organization Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Rational</td>
<td>Analytical</td>
<td>Boss (evaluate &amp; Control)</td>
<td>Subordinate (follow the System)</td>
</tr>
<tr>
<td>B</td>
<td>Command</td>
<td>Imperial Driven by leader or a Small team</td>
<td>Commander (Provide Soldier (obey orders)</td>
<td>Soldier (obey orders)</td>
</tr>
<tr>
<td>C</td>
<td>Symbolic</td>
<td>Cultural Driven by mission&amp; vision of future</td>
<td>Coach (motivates &amp; inspire)</td>
<td>Player (responds to challenge)</td>
</tr>
<tr>
<td>D</td>
<td>Transactive</td>
<td>Procedural Driven by internal process and mutual adjustment</td>
<td>Facilitator (Empower &amp; Enable)</td>
<td>Participant (learn &amp; improve)</td>
</tr>
<tr>
<td>E</td>
<td>Generative</td>
<td>Organic Driven by organizational actors” initiative</td>
<td>Sponsor (Endorse &amp; Sponsor)</td>
<td>Entrepreneur(experiment &amp; take risk)</td>
</tr>
</tbody>
</table>

It describes how various organization members play role in the process (Hart & Banbury, 1994). In above developed typology, Hart identified 5 leadership strategies. For example, in choice „A” (row) the type of leadership is Rational, the style of leadership is imperial and in such setting the Boss plays role of commander and other members of follower. It is a typical old style of organization that is often used by patriarchal type of owners.

Strategy Modes that involve the whole organization are likely to produce more effective strategies than those who do not. Hart also points out that particular mode lead to particular performance output. The rational mode with emphasis on decision control can be associated with financial performance and profitability, while transactive mode which is more consultative and incremental can be related to quality and social responsibility. As organizations become large and complex the strategy-making processes must match that complexity with more people involved in the process. Ansoff (1987) termed this as „Requisite Variety Hypothesis”.
Organization Strategic style: Miles & Snow (Miles & Snow, 1978) presented 4 types of organization:
A) Prospector B) Defender C) Analyzer D) Reactor
A prospector organization is better placed to meet future challenges in fluid environment since these continually search for market opportunities. “Analyzers” are organizations which operate in two types of product-market domains, one relatively stable, the other changing. In their stable areas, these organizations operate routinely and efficiently through use of formalized structures and processes. In their more turbulent areas, top managers watch their competitors closely for new ideas, and then rapidly adopt those which appear to be the most promising. The type D is highly undesirable type.

Rockart (1982) defined Critical Success factors or CSFs as those few areas of activity in which favorable results are necessary for a particular manager to reach his or her goals. As for business, Rockart specified that CSFs are the limited number of areas in which results, if they are satisfactory, will ensure successful competitive performance for the organization.

They are the few areas where “things must go right” for the business to flourish. If results in these areas are not adequate, the organization’s efforts for the period will be less than defined. In view of author the CSFs are those which are vital to ensure successful operations and competitive advantage. For example a Mini steel Mill using steel scrap as raw material should have well developed system for importing quality melting scrap at reasonable prices and should have adequate line of credit/funds for this. For a garment retailing chain quickly replenishing designs/apparels moving fast in stores is critical success factor. For retailers leasing out prime locations for stores is a critical success factor.

The definition of excellence in business means remaining ahead of competition and using best practices. It means to sustain growth of the firm strategically to acquire higher capabilities in terms of production facilities, strategic global marketing or procurements, or acquiring newer technology. More often than not it is difficult to achieve organically. That leaves us to produce new solutions and Mergers and Acquisitions (M&A) in the context of strategic partnership is the most prominent way of solution to keep pace with the company’s competitive conditions and changing market for Globalization (Akgobek, 2012).

Two companies that are recognized as among the best at making successful acquisitions are General Electric and Cisco Systems. These companies have been star performers in growing shareholder value. The core principal that runs through almost every acquisition is integration.

In words of Sun Microsystems Executive Vice President of Corporate Development and Alliances, Brian Sutphin sharing his views on inorganic growth strategies, including mergers, acquisitions, and strategic partnership, acquisitions are one means of bringing to a company the innovation that “happens elsewhere”. “But it’s important to emphasize that acquisitions complement Sun’s organic efforts, they are not a substitute for them. They are also a great way of adding new talent to the company. One criterion that applies to every acquisition, however, is the quality of the people” which factor most often is cause for failures of M&A. The above review suggests areas for us to focus to study factors that determine excellence in business. The criteria selected were empirically tested in a sample of 75 top performing Indian listed companies.

Research Methodology and Sampling
The sample companies were selected from 55 important sectors of economy by using sample frame of NSE500 Index listed companies on National Stock exchange. These reflect 95% of total market capitalization in India. The selection from list was made through 5 point criteria of filtration and then internal comparison of financially best performing companies in each sector. Overall a purposive sample of 75 companies was selected that represent best companies in India. Various factors of excellence and best practices of business that are used in modern successful global organizations were identified through extensive global literature survey

Filtering criteria for sample companies in India:
-Edelweiss score below 5 removed (fundamentally weak company)
-Turn over/ employee below 20 lacs removed (low labor productivity)
-EPS below 3 On FV 10 removed (Low returns on share)
-EV/EBIDTA <3 and >25 removed (extreme cases of EV/EBIDTA ratio)
-RONW below 15% removed (Low returns on equity capital)
-Sales and profit growth negative values removed (Loss making company if any)
Edelweiss score (Edelweiss India) represents fundamental strength of companies on their 5 criteria including latest sales and profit growth.

Data were sorted by 3 years performance ending March 2012. Finally the latest performance up to Q3 of 2011-2012 was also checked before starting analysis. Foreign owned MNCs were not included in sample since the global MNCs were used as benchmarks to identify various business excellence practices. This paper presents part of research carried out on factors determining excellence in business. The various responses were collected through questionnaire administered by email/post and follow-up pan-India field visits of researcher.

Leadership, communication, and organization strategy: The summary of responses are given in Table 1

<table>
<thead>
<tr>
<th>Table 1 Organization Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>L0</td>
</tr>
<tr>
<td>L0</td>
</tr>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>A</td>
</tr>
<tr>
<td>B</td>
</tr>
<tr>
<td>C</td>
</tr>
</tbody>
</table>

In the above table it is evident that most of the companies are closer to Multi layered, Formal structured, Centralized and Complex with written rules and written communication system. A good portion of the respondents(1/3rd) can’t decide how they are organized. Only 13 % companies have slim, agile, and fast response organization structure. Most of them have bureaucratic structure with written communications in place.

Leadership Type and organization values:

Leadership, Communication, and organization style: The summary chart of Responses from Companies on Hart’s typology is given in Table 2 below:

<table>
<thead>
<tr>
<th>Table 2 Organization leadership Style</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empirical testing of Hart Organizational Leadership Model</td>
</tr>
<tr>
<td>Choice</td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td>A</td>
</tr>
<tr>
<td>B</td>
</tr>
<tr>
<td>C</td>
</tr>
<tr>
<td>D</td>
</tr>
<tr>
<td>E</td>
</tr>
</tbody>
</table>

In the above table only three companies were picked. Majority have picked their own pattern of various parameters. The most dominant pattern that comes out is that the leadership Type is Rational. The style of leadership is Analytical or cultural (driven by Vision and Mission of future). The top management plays role of Commander (Provide direction) or as facilitator (Empower & enable). Organization members are either acting as players responding to challenges or act as Participants (learn & improve). The situation is far from satisfactory. Either managers in Indian companies are not keen on Leadership and organization development or are confused as to role of leadership in influencing goals and actions for meeting environmental, competitive, and future challenges. Certainly it is not fit for innovation.

Organization’s strategic style: The organization’s strategic style is closer to one of following: (The style vis-à-vis interaction with and handling of external Business environment

A) Prospector B) Defender C) Analyzer D) Reactor

The responses received on organization type proposed by Miles & Snow are given below in

<table>
<thead>
<tr>
<th>Table 3. Organization Strategic cycle</th>
</tr>
</thead>
<tbody>
<tr>
<td>L2</td>
</tr>
<tr>
<td>L2</td>
</tr>
</tbody>
</table>
Looking on frequency distribution above, we can say that most of the organizations strategic style is closer to Prospector followed by Analyzer (Total 62 %). This is a good sign. The strategic style of organizations (Miles & Snow, 1978) consists of Prospector 37% and Analyzers 24% rest being Defenders and Reactors.

**Growth strategies adopted by organizations:**

Organization strategies adopted for growth, profitability, and competitiveness in recent years (In last 5 years). In following table 4, frequency distribution is given for Organization Growth strategies adopted by sample companies.

<table>
<thead>
<tr>
<th>Organization Strategies</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity expansion</td>
<td>37</td>
</tr>
<tr>
<td>Market share increase</td>
<td>37</td>
</tr>
<tr>
<td>Price competitiveness</td>
<td>35</td>
</tr>
<tr>
<td>Leadership Development &amp; Training</td>
<td>35</td>
</tr>
<tr>
<td>Brand Promotion</td>
<td>32</td>
</tr>
<tr>
<td>Customer Delight and Loyalty management</td>
<td>25</td>
</tr>
<tr>
<td>Managerial empowerment and training</td>
<td>27</td>
</tr>
<tr>
<td>Innovation Promotion &amp; Management</td>
<td>27</td>
</tr>
<tr>
<td>New customers acquisition</td>
<td>26</td>
</tr>
<tr>
<td>Reducing Time to Market</td>
<td>23</td>
</tr>
<tr>
<td>Innovative financial resourcing</td>
<td>18</td>
</tr>
<tr>
<td>Developing Core competencies</td>
<td>18</td>
</tr>
<tr>
<td>New product launches</td>
<td>16</td>
</tr>
<tr>
<td>Mass Production</td>
<td>16</td>
</tr>
<tr>
<td>Brands acquisition</td>
<td>16</td>
</tr>
<tr>
<td>Automation (operations)</td>
<td>16</td>
</tr>
<tr>
<td>Modular Customized production</td>
<td>15</td>
</tr>
<tr>
<td>Innovative supply chains</td>
<td>15</td>
</tr>
<tr>
<td>Diversification</td>
<td>14</td>
</tr>
<tr>
<td>Product mix enrichment</td>
<td>14</td>
</tr>
<tr>
<td>Value added products</td>
<td>14</td>
</tr>
<tr>
<td>State of Art technology acquisition</td>
<td>14</td>
</tr>
<tr>
<td>R&amp;D and patents</td>
<td>13</td>
</tr>
<tr>
<td>Financial restructuring;</td>
<td>13</td>
</tr>
<tr>
<td>Made to Stock</td>
<td>10</td>
</tr>
<tr>
<td>Organization restructuring</td>
<td>10</td>
</tr>
<tr>
<td>Overseas marketing</td>
<td>9</td>
</tr>
<tr>
<td>Strategic global alliances</td>
<td>8</td>
</tr>
<tr>
<td>Outsourcing production</td>
<td>7</td>
</tr>
<tr>
<td>Decentralization and autonomy</td>
<td>5</td>
</tr>
<tr>
<td>Automation(marketing)</td>
<td>3</td>
</tr>
<tr>
<td>Debt management</td>
<td>2</td>
</tr>
<tr>
<td>Consumer research</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 4: Strategies for Organization Growth
The top three are most commonly used strategies by organizations globally. R&D expenditure and patents and strategic global alliances need focus as these are weak points in path to globalization. No company reported consumer research as a strategic tool for growth and profitability. Of course, the companies are using multiple strategies from the above list.

**Vision for Industry leadership and Brand ranking:**

The respondents were asked if they have set vision for attaining global and domestic leadership in their industry and where do they think their flagship brands stand in domestic and global markets, respectively. The summary of responses is given below.

<table>
<thead>
<tr>
<th>Status</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Already Achieved Globally</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Already Achieved India</td>
<td>6</td>
<td>8%</td>
</tr>
<tr>
<td>Vision for Top 5 Globally</td>
<td>19</td>
<td>25%</td>
</tr>
<tr>
<td>Vision for Top 5 India</td>
<td>29</td>
<td>38%</td>
</tr>
<tr>
<td>Domestic Brand Status</td>
<td>33</td>
<td>44%</td>
</tr>
<tr>
<td>Global Brand status</td>
<td>3</td>
<td>4%</td>
</tr>
</tbody>
</table>

A look at above statistics and pattern in table indicate that Indian companies are far from being world class and very small numbers of these have set any vision for global leadership. Unless the company has strong leadership at top driven by Vision and Organization culture, it is difficult to achieve and sustain excellence.

**Vulnerability Perception of Companies**

The summary of scores given by companies regarding their vulnerability to environmental threats on a scale of 0 (NIL) -100 (Worst) are statistically compiled and presented below.

<table>
<thead>
<tr>
<th>Variance</th>
<th>N</th>
<th>N*</th>
<th>Mean</th>
<th>SE Mean</th>
<th>Std Dev</th>
<th>Minimum</th>
<th>Q1</th>
<th>Median</th>
<th>Q3</th>
<th>Maximum value</th>
<th>Minimum value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>52</td>
<td>0</td>
<td>42.50</td>
<td>2.43</td>
<td>17.50</td>
<td>20.00</td>
<td>30.00</td>
<td>40.00</td>
<td>50.00</td>
<td>90.00</td>
<td></td>
</tr>
</tbody>
</table>

It is good to note that Indian companies have lower threat perception i.e. below 50 on a scale of 0-100. It may also be due to relatively high protection provided in Indian policy regulations and Indian markets. As seen in Growth strategies section, Indian companies have taken several steps including expansion of facilities for economies of scale, competitive pricing, value added products and overseas operations directly or through M&A route.

**Key Success Factors:** The question was asked to various sample companies as to what they think were key success factors for their business. A wide range of factors were mentioned by various companies. These were different for most of the companies. Hence one can conclude that each company determines its own business model and lays down key success factors which determine its profitable operations, growth and sustainability goals. It is not possible to standardize a few key success factors that can be followed across companies as a uniform and common practice. The summary of responses received is given in table 5 below:

<table>
<thead>
<tr>
<th>Table :5 Key success factors and number of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product design and pricing</td>
</tr>
<tr>
<td>Integrated service from design to after sales service</td>
</tr>
<tr>
<td>Aggressive Advertising</td>
</tr>
<tr>
<td>Collaborations</td>
</tr>
<tr>
<td>Economies of scale</td>
</tr>
<tr>
<td>Visionary leadership at top</td>
</tr>
<tr>
<td>Vision and mission well communicated</td>
</tr>
<tr>
<td>New products</td>
</tr>
<tr>
<td>Product range/portfolio</td>
</tr>
<tr>
<td>Strong &amp; old Brands</td>
</tr>
</tbody>
</table>
Technology and ITES | 2  
---|---  
Globalization of operations | 2  
Distribution network and segmentation | 3  
Time to market reduction | 3  
Pioneering company | 3  
R&D & product Innovation | 4  
Employee training and empowerment | 4  
High quality products | 4  
Competitive pricing | 4  
Quality Service | 5  
Product differentiation/ diversification | 8  
Customer focus & customer loyalty | 9

Obviously emphasis of companies is on marketing related factors.

**Winning strategies carried out in last 10 Years:** The companies were asked to identify any winning strategies they devised in last 10 year period that gave them significant competitive advantage or changed rules of the game in their Industry. The responses by sample companies are summarized below:

**Services sector:**

<table>
<thead>
<tr>
<th>Company</th>
<th>Winning Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCL Info systems Ltd</td>
<td>Outstanding Human resource practices at</td>
</tr>
<tr>
<td>Spice jet</td>
<td>Introduced low cost fares</td>
</tr>
<tr>
<td>Mahindra Holidays</td>
<td>Quality Service &amp; Hospitality Product/resorts</td>
</tr>
<tr>
<td>Cox &amp; Kings</td>
<td>Competitive pricing, good after sales service.</td>
</tr>
<tr>
<td>Everonn Education</td>
<td>Technology Innovation in Education &amp; Training</td>
</tr>
<tr>
<td>TCS</td>
<td>Outstanding Human resource practices</td>
</tr>
<tr>
<td>ICICI Bank Ltd</td>
<td>Personal Finance Management</td>
</tr>
<tr>
<td>Tata Power</td>
<td>Aiming always for highest possible standards</td>
</tr>
<tr>
<td>Kovai Medical Centre</td>
<td>Latest developments in Medical Science</td>
</tr>
<tr>
<td>Bharti Airtel</td>
<td>Building strong Brands</td>
</tr>
<tr>
<td>Eclerx Services</td>
<td>Strong services Portfolio</td>
</tr>
</tbody>
</table>

**Manufacturing Sector:**

<table>
<thead>
<tr>
<th>Company</th>
<th>Winning Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>TTK health Care</td>
<td>JV with Sara lee/SSL/Eva</td>
</tr>
<tr>
<td>Tube Investment</td>
<td>Innovation</td>
</tr>
<tr>
<td>L&amp;T Durability of products</td>
<td>Quick decision making Rapport with OEMs</td>
</tr>
<tr>
<td>Coromandal International</td>
<td>Market Share Analysis</td>
</tr>
<tr>
<td>Jayshree Tea</td>
<td>Fast response to market situations (Commodity)</td>
</tr>
<tr>
<td>Pidilite Industries</td>
<td>Made significant capital investment after thorough Demand analysis Indian Oil Revamped Distribution Network &amp; Filling stations</td>
</tr>
<tr>
<td>Tata chemicals</td>
<td>Value added products marketing strategy</td>
</tr>
<tr>
<td>Tin Plate Company (Tata)</td>
<td>Value chain concept</td>
</tr>
<tr>
<td>Dabur India</td>
<td>Adopting Green purchase policy</td>
</tr>
<tr>
<td></td>
<td>Focus on anti-hypertension drugs Patents &amp; new product launches</td>
</tr>
<tr>
<td></td>
<td>Building Strong Brands</td>
</tr>
</tbody>
</table>

It was gestured to bring out if these top performing organizations had any winning strategies that put them in leading position in their respective industry and changed the rules of games. However, results are not
encouraging. In fact none of the companies has reported such gains. The careful analyses of contents above show that organizations do adopt strategies, but these can’t be called game changing strategies making them qualify for innovative organizations. Perhaps the strategies mentioned by Indian Oil and that of Spice Jet come somewhat closer to such winning strategies. Winning strategies are those measures that are innovative and give significant competitive advantage to the adopter which is difficult to follow quickly and which alters the business model of that industry.

**Deccan Airlines** brought innovative pricing strategies of low cost flying and free seats, but could they succeed in long term? Winning strategies are often adopted by world class companies which hit the nail direct on head of nearest or major competitors. A winning strategy should generate fresh demand from consumers or outdo competitors catching them on back foot.

**What the companies think about excellence in Business?** According to respondent companies the practices that determine excellence in business are. Item given in brackets is related focus area.

<table>
<thead>
<tr>
<th>Manufacturing sector:</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHEL (Power Equipment)</td>
</tr>
<tr>
<td>Shree Renuka (Sugar)</td>
</tr>
<tr>
<td>Eicher Motors (Tractors)</td>
</tr>
<tr>
<td>Maharashtra Seamless (Pipes and steel sheets)</td>
</tr>
<tr>
<td>Dabur India (Herbal products, FMCG)</td>
</tr>
<tr>
<td>Ranbaxy Lab (Pharma)</td>
</tr>
<tr>
<td>Cadilla Healthcare (Pharma)</td>
</tr>
<tr>
<td>Carborundum Univ Abrasives)</td>
</tr>
<tr>
<td>Volts Ltd (Air conditioning)</td>
</tr>
<tr>
<td>Tin Plate Co. (Steel Mills)</td>
</tr>
<tr>
<td>Tata Chemicals (Essential life chemicals)</td>
</tr>
<tr>
<td>Hindalco (Non Ferrous metals)</td>
</tr>
<tr>
<td>Pidilite Industries (Adhesives)</td>
</tr>
<tr>
<td>Tata Steel (Steel plants)</td>
</tr>
<tr>
<td>Indian Oil (Refineries)</td>
</tr>
<tr>
<td>Havels India (Electric goods)</td>
</tr>
<tr>
<td>Jain irrigation (Pipes, sprinklers)</td>
</tr>
<tr>
<td>Bajaj Auto (Automobiles)</td>
</tr>
<tr>
<td>Elgi Equipment (compressors equipment)</td>
</tr>
<tr>
<td>Fedders Lloyd (Air conditioning; engineering)</td>
</tr>
<tr>
<td>Crompton Greaves (Electric goods, Transformers)</td>
</tr>
<tr>
<td>MRF (Tyres &amp; Sports goods)</td>
</tr>
<tr>
<td>Tata Motors (Automobiles)</td>
</tr>
<tr>
<td>Bharat Electronics (Electronics equipment)</td>
</tr>
<tr>
<td>Coromondal International (Fertilizers)</td>
</tr>
<tr>
<td>Dr Reddy’s Lab (Pharma)</td>
</tr>
<tr>
<td>Oil India (Petroleum)</td>
</tr>
<tr>
<td>NRB Bearings (Engineering bearings)</td>
</tr>
<tr>
<td>UltraTech Cement (Cement)</td>
</tr>
<tr>
<td>Symphony Ltd (Coolers)</td>
</tr>
<tr>
<td>Rane madras (Auto components OEM supplier)</td>
</tr>
</tbody>
</table>

*Vol.2 No.3 July-December 2014*
Only three companies in sample believe that adopting an independent Excellence model results in excellence like, using EFQM/ CII-EXIM award model.

**Mergers & Acquisitions** The question was asked to companies about M&A carried out by them in recent years. The responses are summarized in below table 6 and Table 7

**Table 6: Merger/Acquisitions**

<table>
<thead>
<tr>
<th>Mergers carried out</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missing</td>
<td>28</td>
<td>37.33</td>
</tr>
<tr>
<td>No</td>
<td>27</td>
<td>36</td>
</tr>
<tr>
<td>Yes</td>
<td>20</td>
<td>26.27</td>
</tr>
</tbody>
</table>

**Table 7 Number of M&A entered by companies**

<table>
<thead>
<tr>
<th>Mergers count</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missing</td>
<td>27</td>
<td>36</td>
</tr>
<tr>
<td>0</td>
<td>26</td>
<td>34.67</td>
</tr>
<tr>
<td>1</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>7</td>
<td>9.33</td>
</tr>
</tbody>
</table>
We can see that M&A is not so popular in Indian sample companies. The maximum number of Mergers/Acquisitions done by any company is 5. Only 30% companies have reported any M&A. 36% respondents did not answer these questions.

II. Conclusions

This paper has presented a part of research conducted in sample of top performing listed companies in India. A sample of 75 companies was drawn to study various aspects of business excellence. Relatively less researched areas are focused here. These include Leadership qualities, importance of leadership at multiple levels, Leadership style, Communication, importance of vision for industry leadership, brand ranking, and the critical success factors. Successful and best-in-class companies employ winning strategies that gives them significant competitive advantage in creating value for customers and improving business performance.

Many a times these strategies turn out to be game changing for the entire industry in which they operate. It comes out that Indian companies have taken several steps post Liberalization since 1991. The firms have adopted multi-tasking teams. The need for strong core values, strong leadership, and customer loyalty are well recognized by firms. However, the sales force empowerment is low. Majority of organizations have a formal bureaucratic control structure. The typology developed by Hart for leadership style could not be validated in Indian companies. There is mixed type of roles found for boss and subordinates in organizations.

It is important that various levels in organization are involved and leadership is developed across the organization to make a flexible, innovative, and world class organization. The organization type is either prospector or analyzers. A prospector type of organizations is best suited for achieving excellence and innovator status. Very few organizations (25%) have set vision for attaining global leadership within top 5 companies. Unless high vision is set and has clear direction, people will not commit to better and different ways of working. Winning strategies are those strategies that change the rules of game in the specific industry giving at least mid-term advantage to the firm. However, it is seen that not many significant strategies are reported by firms. It is not so easy and not frequent, anyway. But to achieve excellence firms should focus on creating value for customers and devise some winning strategy. The perception of excellence practices in Indian companies is quite diverse and companies have reported focus on human resource development, customer satisfaction, product quality, TQM and cost competitiveness. Wide variety of processes used for achieving excellence collaborate the complexities of the concept of excellence and several approaches that are available to firms.

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[7]. Hart S and Banbury C (1994). How strategy-making process can make a difference.
[8]. Strategic Management J., 15, 1994, s. 251.269
ROLE OF TECHNOLOGY IN ACHIEVING BUSINESS EXCELLENCE IN SUPPLY CHAIN MANAGEMENT

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Introduction

Any Kind of estimate of where the world will be tomorrow, let alone 25 years from tomorrow, is highly speculative, one thing that will take place is the role of information with the information technology that will change everything in the world. There will be no institution, no field and no discipline that will be unaffected.

To understand let us start with storage of information. Early 1950’s before there was a magnetic disk-drive, it took a junk of material almost a millimeter on a side about billion atoms to store a single bit of information. Extrapolate from the past through today and out to 2025 and you get down to 1000 atoms per bit of information. During past few decades commendable improvement has taken place in the technology indices. The penetration of the computers is very high in industry and domestic segments, which in turn gave a true shape to the dream of "paperless world", major changes which made the dream true were shown in table 1.1. The table below shows the major revolution that came through first generation computers to fifth generation computers, and was explained with the help of various factors.

The size decreased from room size to hand held computers were networked, the speed, storage capacity etc., increased tremendously. The storage capacity increased from bytes to terra bytes and the cost came down drastically which gave thrust to Information Technology revolution. The changes were shown in the table 1.1

<table>
<thead>
<tr>
<th>Factors</th>
<th>First Generation</th>
<th>Second Generation</th>
<th>Third Generation</th>
<th>Fourth Generation</th>
<th>Fifth Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>Room size</td>
<td>Closet Size</td>
<td>Desk Size</td>
<td>Desk Top &amp; Lap Top</td>
<td>Networked</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Main Frame</td>
<td>Computers</td>
<td></td>
<td>Computers</td>
</tr>
<tr>
<td>Networking</td>
<td>None</td>
<td>Mainframe based</td>
<td>Main frame &amp;</td>
<td>Local Area Client/Server</td>
<td>The Internet</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Networks</td>
<td>Mini Computer</td>
<td></td>
<td>Intranet</td>
</tr>
<tr>
<td>Circuitry</td>
<td>Vacuum Tubes</td>
<td>Transistors</td>
<td>Integrated Semi</td>
<td>Large Scale</td>
<td>VLSI</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Conductor</td>
<td>Integrator</td>
<td></td>
</tr>
<tr>
<td>Density</td>
<td>One</td>
<td>Hundreds</td>
<td>Thousands</td>
<td>Hundreds of</td>
<td>Millions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Thousands</td>
<td></td>
</tr>
<tr>
<td>Speed</td>
<td>Hundreds</td>
<td>Thousands</td>
<td>Millions</td>
<td>Tens of Millions</td>
<td>Billions</td>
</tr>
<tr>
<td>Instr./second</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliability</td>
<td>Hours</td>
<td>Days</td>
<td>Weeks</td>
<td>Months</td>
<td>Years</td>
</tr>
<tr>
<td>Memory</td>
<td>Thousands</td>
<td>Tens of Thousands</td>
<td>Hundreds of</td>
<td>Millions</td>
<td>Billions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Thousands</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
As the cost and size is decreasing as shown above it is evident that the role of information technology is growing in all the areas of the business and also in supply chain management. The coming sections discusses about supply chain management and the role of information technology in supply chain management.

Overview of Supply Chain Management

A supply chain is a network of supplier, manufacturing, assembly, distribution, and logistics facilities that perform the functions of procurement of materials, transformation of these materials into intermediate and finished products, and the distribution of these finished products to customers.

Figure 2.1: A typical supply chain network

Traditionally marketing, distribution, planning, manufacturing, and the purchasing departments of various organizations operated independently. These functional departments have their own objectives which are often conflicting. For example, marketing department’s objective of high customer service levels and maximum revenue conflict with manufacturing and distribution goals like reduction of finished goods inventories. Many manufacturing operations are designed to maximize throughput and lower costs with little consideration for the impact on inventory levels and distribution capabilities. There is a critical need for a mechanism through which the different functions can be integrated. Enabling effective integration of the various functional entities is the primary objective of supply chain management.

Achieving supply chain productivity

Supply chain productivity can be achieved by maintaining the balance between three key factors customer satisfaction, Inventories and flexibility. Achieving balance between the key factors is to ensure that the product is delivered to the customer within delivery time without any delays in the production by maintaining optimal inventory levels and bringing in the flexibility in the production, delivery and ordering process. These terms are discussed clearly below and shown also in the figure 1.2.

Customer satisfaction

Customer satisfaction says something about the level of satisfaction among a company’s customers. Typical measures of customer service are a company’s ability to fill orders within due date (fill rate), or its ability to deliver
products to customers within the time quoted (on-time deliveries). Other measures should be to evaluate the delivery performance of orders that are not delivered on-time. A way to indicate this is to measure the average time from order to delivery.

**Inventories**

Inventories are raw products inventories (RPI), products in the production process (WIP) and finished goods inventory (FGI). In addition there are often warehouses or distribution centres between the different levels of the supply chain. Inventories are costly. Binding capital in inventories prevents the company from investing this capital in projects of higher return. The holding cost inventories are therefore often set as high as 30 - 40% of the inventory value. In addition it is desirable to avoid so-called _dead inventory_, i.e. inventory that is left when a product is no longer on the market (often referred to as end of life (EOL) write-off). It is in every company’s interest to keep inventory levels at a minimum. Much effort has been put into this, for example an entire manufacturing paradigm has come out of it. A main objective of the JustIn Time (JIT) paradigm is to virtually abolish inventories. The efforts made have been more or less successful

**Flexibility**

Flexibility can be defined as the ability to respond to changes in the environment. In the case of a manufacturer, flexibility is the ability to change the output in response to changes in the demand. In a supply chain the flexibility of one entity is highly dependent on the flexibility of upstream entities. The overall flexibility of a supply chain will therefore depend on the flexibility of all the entities in a supply chain, and their interrelations.

![Figure 1.2](image)

*Illustrating how flexibility, inventories, and customer service are interrelated.*

**Role of information technology in supply chain management**

Due to decrease in cost and size as discussed above the information Technology is having impact on all trade industries and businesses, in service as well as in manufacturing specifically in the areas like supply chain management. The advances in Information Technology would result in remarkable decline in the costs of synchronization that would lead to new, concentrated business structures. It enables the business to respond to the new and urgent competitive forces by providing effective management of interdependence. In the near future there will be enormous growth of Information technology in all the areas of businesses. Because of this the business areas are taking new dimension. Decision making using technology will be the key area, specifically in the areas of supply chain management. Improvements in telecommunications will make it easier to control business units dispersed over different parts of the world. Advances in telecommunications, would result in increased distance-communication. Indirect communication would be preferred for well-structured information for routine, pre programmed and decision processes.

**Electronic supply chains**

Electronic Supply Chain Management is the latest phenomenon. E-SCM is re-defining the way business is conducted by individuals, institutions and industries. It has provided new avenues, large customer base for vendors and manufacturers. Increased visibility for products, different alternatives paths for transportation of goods and tracking mechanism for customers are few.
E-SCM is profoundly influencing the nature of business dealings and supply chains. It is growing at a rate more than 30% and facilitating B-to-C and B-to-B transaction manifold. This is mainly because web based transactions offer low transaction costs, higher visibility and interlinking of different areas. For example tracking the distance between the factories and the warehouses will help to find the optimum path for transporting the goods from one destination to other destination there by helping to reduce the transportation cost. The transaction in E-SCM follows true socialism, it has no preference for favoritism and any product or firm; it provides the same facilities, opportunities and avenues to all.

Electronic commerce

Electronic commerce is the term used to describe the wide range of tools and technique utilized to conduct business in a paperless environment. Electronic commerce therefore includes electronic data interchange (EDI), e-mail, electronic funds transfers, electronic publishing, image processing, electronic bulletin boards, shared databases and magnetic/optical data capture, the internet, and web sites. Electronic commerce is having a significant effect on how organizations conduct business. Companies are able to automate the process of moving documents electronically between suppliers and customers in such a manner that the entire process is handled electronically; no paperwork is involved. With the rise of the internet and the ability to transfer information cheaply and effectively over the whole world, electronic commerce is becoming a major focus for many organizations and represents a significant opportunity for integrated supply chain management efforts.

Electronic data interchange

Electronic data interchange refers to computer-to-computer exchange of business documents in a standard format. EDI describes both the capability and practice of communication information between two organizations electronically instead of the traditional forms of mail, courier, or fax. Capability refers to the ability of the various members of the supply chain to use their computer systems to communicate effectively, whereas the practice refers to the ability of the members of the supply chain to willingly share and effectively utilize the information exchanged. EDI is being utilized to link supply chain members together in terms of order processing, production, inventory, accounting, and transportation. The benefits EDI are numerous.

- Quick access to information
- Better customer service
- Reduced paperwork
- Better communications
- Increased productivity
- Improved tracing and expediting
- Cost efficiency
- Competitive advantage
- Improved billing

EDI improves productivity through faster information transmission as well as reduced information entry redundancy. Accuracy is improved by reducing the number of times an individual is involved in data entry. The use of EDI results in reduced costs on several levels, including:

- Reduced labor and material cost associated with printing, mailing and handling paper-based transactions.
- Reduced telephone and fax transmissions
- Reduced clerical costs.

EDI is also tremendously beneficial in countering the bullwhip effect (accumulating inventories due to fluctuations in demand). Through supply chain partners can overcome the distortions and exaggerations in supply and demand information by using technology to facilitate real-time sharing of actual demand and supply information.

A Decision Support System for Supply Chains

Due to the increased capabilities and reduced cost justified computerized support for an increased number of non routine applications the decision support systems was initiated. The basic objective of DSS is to provide computerized support to complex non routine and partially structured decisions.

Given the complexity of the supply chains development of DSS to assist decision makers in terms of both the design and operation of integrated supply chains is likely to increase. These DSS will help decision makers identify opportunities for improvements across the supply chain, far beyond what even the most experienced manager could provide through intuitive sight. Supply chain wide DSS will allow management to look at the relationships across the supply chain, including suppliers, manufacturing plants, distribution centers, transportation...
options, product demand, relationship among product families, and a host of other factors to optimize supply performance at a strategic level.

Department of Computer Science and Automation, Indian Institute of Science. (DESSCOM), has successfully solved problems in a variety of supply chain networks. Figure 1.3 shows the architecture of the decision support system. The system has two major subsystems.

- A modeling system that facilitates rapid creation of supply chain models at a desired level of abstraction using a library of generic objects
- A decision workbench that can support a wide variety of tools and techniques which could be deployed in supply chain problem solving.

Decision support issues for managing supply chain

Several issues need to be considered while building a decision support system for managing the e-supply chain. Some of these issues are standards for information exchange, representation of products, services and offers of capacity in integrated catalogs and methods for managing supply with demand.

Information Exchange

A key enabler for this vision is the mundane task of information exchange between disparate systems. Standards must be established for exchanging industry-specific data, and they must gain wide acceptance; a promising enabling candidate is XML. This can be used for data sharing between supply chain partners. These standards are emerging and will continue to evolve under pressure to standardize across industries for economies of scale and pressures to specialize within industries for supporting market specific functionality.

Building an integrated catalog

In supply-chains, buyers and suppliers need to be able to fully characterize products and services they wish to buy and sell. On-line catalog items need to be restricted to existing inventory, but could also include offers of capacity to produce a product or set of products. The representation of capacity requires a much richer, more flexible characterization of products and production capabilities.

Decision support for various entities in the Electronic supply chain

The decision support system that are built can assist a decision-maker to sift through and respond to opportunities in timely manner. In effect this system finds ‘good’ matches between demand and supply, taking into account the constraints of their own product schedule. The following are some of the features of the decision support system, discussed in the context of manufacturers:

- Decision support for what to sell: At any moment, a manufacturer may have some product inventory in stock and some unfulfilled orders or forecast orders. It may be advantageous to offer some of the inventory for sale, especially those items which are not committed to customer order or forecast and also it is advantageous to offer some of the capacity for sale, especially capacity that is not committed to customers orders and forecasts. A decision support system for deciding what to sell must make recommendations about what types of inventory and capacity to offer, to whom, for what price and with what restrictions at what time.

- Decision support system for what to buy: In addition to its own inventory, a manufacturer will have access to inventory being offered for sale on the internet (e-inventory), as well as some unfulfilled orders or forecast orders. It may be advantageous to buy some of the inventory or capacity for sale, especially those items which can be profitably used to satisfy customer orders or forecasts, or which would be difficult to make because of production constraints. In addition, over the internet a manufacturer will be able to purchase other manufacturer’s capacity to produce in the future.

- Decision support system for what to promote:- In addition to offering raw capacity for sale, a manufacturer can ‘push’ sales of products which are both advantageous to make and desirable to customers. Since raw capacity can be used to make so many different items, each promotion should be limited to items of particular interest to an individual customers.

Decision support system must be customizable to the objectives of the business, which generally include maximizing profit, maximizing customer satisfaction, and maximizing production bottlenecks. It must also be configurable for different entities in the supply chain such as manufacturers, dealers, brokers and consumers.

Conclusion

In the present scenario for the business to sustain competition maintaining agile supply chain is useful to cut the cost for competing with the other firms. Number of decisions has to be made to maintain the agile supply chain, the best decisions can be taken only through information technology.
References:
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BUSINESS EXCELLENCE MODELS - AN INTERNATIONAL EXPERIENCE

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Abstract

Business excellence models are frameworks that, when applied within an organisation, can help to focus thought and action in a more systematic and structured way that should lead to improved performance. Business excellence frameworks are relevant for long-term competitiveness and sustainability, and only minor changes to the design of the frameworks (if any) are needed. Business excellence has a major impact on competitiveness and performance. While awards are important, they are for recognition and not the prime motivator for the majority of companies. The prime motivator is to improve performance. However, deficiencies encountered in the implementation always keep the practitioners way from using it. The deficiencies include sophisticated assessment criteria, lack of infrastructure, quality bureaucracy, excessive paperwork, cumbersome procedures, etc. The main purpose of the paper is to highlight the business excellence models in the world, benefits in implementing the business excellence models in the organisation. It also gives the business models in Asia and guidelines for business excellence models.

Introduction:

Business today is being impacted by multiple forces—economic shocks, atomization of markets and demand, borderless commerce, advances in technology, a sense of acceleration, and deconstruction of business. Moreover, from the monolithic markets of the pre-nineties, the scenario has now shifted to that of micro-segmentation, multiple competitors, and short product cycles. Of the 100 largest US companies in the beginning of 1990s, only 16 exist now. Of the Fortune 500 companies, only 15 figured in the top 100 list in 2002 as compared to the fifties. Obviously, size does not guarantee continued success nor does a good reputation. This applies equally well to India. We have seen the disappearance of reputed companies like Metal Box and Weston TV in the eighties and the overnight collapse of an industry leader like Perotech Computers in the nineties.

Business Excellence (BE) is about developing and strengthening the management systems and processes of an organization to improve performance and create value for stakeholders. BE is much more than having a quality system in place. BE is about achieving excellence in everything that an organization does (including leadership, strategy, customer focus, information management, people and processes) and most importantly achieving superior business results.

In order to respond to the highly competitive external environment and the customers’ expectations, enterprises have to look for effective approaches to enhance their management capabilities, such as Total Quality Management (TQM), Business Process Reengineering (BPR), Enterprise Resource Planning (ERP), Organizational Change Management (OCM) and Business Excellence (BE), etc. Among them, BEs are one of the most popular approaches being used in the past two decades. The definition by Wikipedia (2011) states that BEs are systematic use of quality management principles and tools in business management, with the goal of improving performance based on the principles of customer focus, stakeholder value, and process management.

Key practices in business excellence applied across functional areas in an enterprise include continuous and breakthrough improvement, preventative management and management by facts. Some of the tools used are the balanced scorecard, Lean, the Six Sigma statistical tools, process management, and project management. Based on the definition, we acknowledge that BEs are able to trace its root to TQM, however comparing to the principle concepts of TQM, BEs are more holistic in nature than TQM.

As described by the European Foundation for Quality Management (EFQM), BE refers to outstanding practices in managing the organization and achieving results in terms of a set of eight fundamental concepts. These concepts are ‘results orientation, customer focus, leadership and constancy of purpose, management by processes and facts, people development and involvement, continuous learning, innovation & improvement; partnership development, and public responsibility.’ Besides, business excellence models (BEMs) have been generally developed by national bodies as a basis for award programs. For most of these bodies, the awards themselves are secondary in importance to the widespread adoption of the concepts of business excellence, which ultimately leads to improved national economic performance. By far the majority of organizations that use these models do so for self-assessment,
through which they may identify improvement opportunities, areas of strength, and ideas for future organizational development. Users of the EQAExcellence Model, for instance, do so for the following purposes: self-assessment, strategy formulation, visioning, project management, supplier management, and mergers. The most popular and influential model in the western world is the Malcolm Baldrige National Quality Award Model (also known as MBNQA model, the MBNQACriteria, or the Criteria for Performance Excellence), launched by the US government. More than 60 national and state/regional awards base their frameworks upon the Baldrige criteria.

Due to BEMs have been widely implemented in the industries over two decades, a ton of experiences and evidences are accumulated. Researches were conducted to investigate their effectiveness which includes the benefits and the deficiencies. Some researches indicated that organizations obtained significant benefits. The benefits include the financial profit (Hendricks & Singhal, 2000; Pannirselvam & Ferguson, 2001) and the non-financial outcomes (Hendricks & Singhal, 1996; Ford & Evans, 2000; Wilson & Collier, 2000; Pannirselvam & Ferguson, 2001; Douglas & Judge, 2001).

However, it has been noted that not all the messages are positive. On the one hand, some research findings pointed out that an excellence approach is not a guarantee of success (Powell, 1995; Terziovski & Samson, 1999; Fisher et al., 2001). Also, although there is compelling evidence that business excellence delivers benefit to the organization, it is clear that it does not work for everyone (Jennigs & Beaver, 1997; Stephens et al., 2005). On the other hand, practitioners usually complain that they encountered difficulties in implementing BEM which include sophisticated assessment criteria, lack of infrastructure, quality bureaucracy, excessive paperwork, cumbersome procedures, time consuming, and lack of focus (Miller, 1993; Goh & Ridgway, 1994; McTeer & Dale, 1994; Wilkes & Dale, 1998; Lee et al., 2006).

**Business Excellence Models:**

Business Excellence Models (BEMs) were first called Total Quality Management models. Today they are usually referred to as Business Excellence Models – this term helps to communicate the importance of “excellence” in all aspects of a business, not only product and process quality. The models, such as Chart - 1, are used to assess how well BE core values and concepts (the ingredients of success) are embedded in an organization. These models are now used in at least 83 countries as a key mechanism to help businesses to improve.

BEMs help organizations to assess their strengths and areas for improvement and guide them on what to do next. BEMs provide senior managers with a holistic method with which to manage their business and get buy-in to key decisions that will lead to sustainable and measurable success. In a sense, the BEMs serve as the organization’s own internal business consultant – ensuring that business decisions incorporate the needs of all stakeholders, are aligned to the organization’s objectives and take into account current thought on international best practices. Figure 4 shows the Baldrige Criteria for Performance Excellence (CPE) which is used in the United States but has been adopted in many countries in Asia (in some countries small revisions have been made to it). The model is composed of seven categories. Six of these, labeled 1 to 6, are called the ‘Process’ categories and the other is called the “Results” category. The processes show what an organization does and the Results show what an organization achieves. Good processes lead to good results.

Organizations use BEMs to understand and assess which processes need to be improved to improve results. When considering an organization’s level of excellence it is important to take into account the ‘Organizational Profile’ as every organization is different. This considers an organization’s environment, key working relationships, and strategic situation – including competitive environment, strategic challenges and advantages, and performance improvement system.

**Chart - 1**

Baldrige Criteria for Performance Excellence
European Foundation for Quality Management:

Business Excellence, as described by the European Foundation for Quality Management (EFQM), refers to; “Outstanding practices in managing the organisation and achieving results, all based on a set of eight fundamental concepts”, these being, “results orientation; customer focus; leadership and constancy of purpose; management by processes and facts; people development and involvement; continuous learning, innovation and improvement; partnership development; and public responsibility”. This definition serves as a typical example of those put forward today.

In general, business excellence models have been developed by national bodies as a basis for award programmes. For most of these bodies, the awards themselves are secondary in importance to the wide-spread take up of the concepts of business excellence, which ultimately lead to improved national economic performance. By far the majority of organisations that use these models do so for self-assessment, by which they can identify improvement opportunities, areas of strength, and use the model as a framework for future organisational development. Users of the EFQM Excellence Model, for instance, do so for the following purposes (Chart - 2):

Chart - 2

EFQM Excellence Model - purposes of use

Business excellence, as described by the EFQM refers to “outstanding practices in managing the organization and achieving results, all based on a set of eight fundamental concepts.” These concepts are:

1. Achieving Balanced Results
2. Creating Value for Customers
3. Leading with Vision, Inspiration & Integrity
4. Managing by Processes
5. Succeeding through People
6. Nurturing Creativity & Innovation
7. Building Partnerships and
8. Taking Responsibility for a Sustainable Future

The Benefits of Business Excellence Models:
Research on the overall benefits of using BEMs indicates that organizations with a BE approach obtain significant operational and financial benefits. Research has shown that SMEs obtain benefits more quickly than large organizations as they can move quickly to make changes to how their business is run. A list of benefits is shown below:

a. BEMs help organizations to understand how well all the different functions, units, processes, systems are working together to produce the desired business results. This helps managers and employees to understand their business better and make better decisions
b. BEMs help managers and employees to have a common viewpoint on the health of their organization and the key issues that are faced. This enables managers and employees to unite together to tackle the issues and move the organization forward.
c. BE helps SMEs to implement a cohesive improvement strategy which integrates a range of improvement initiatives, tools and/or techniques such as Improvement Teams, Lean, Statistical Process Control (SPC), ISO9001, ISO 14001 and Balanced Scorecard. BEMs can be used as an overarching framework for managing and aligning various organizational improvement initiatives. The adoption of the most appropriate
improvement initiatives varies according to the organizational situation and level of the organization’s maturity.

1. BE helps organizations to address various business challenges. ‘Strategic Planning’ helps to address changes in the business environment such as the financial crisis. ‘Workforce focus’ helps to address human resources, cultural and social issues. ‘Operations focus’ helps to address multiple legal requirements and international standards. ‘Leadership’ helps to address accountability, corporate governance, environmental and societal issues.

2. BE assessments serve as an organizational health check.

3. External BE assessments (undertaken by independent evaluators) provide an outsider’s view on the health of the organization and enable the organization to be considered for a quality / BE award.

4. Achieving BE certification or winning a quality / BE award provides public recognition.

5. BE assessments enable organizations to compare their performance against others both domestically and globally.

6. BEMs provide a common framework for learning and sharing ‘best practices’ both within and between organizations.

7. BEMs help companies to develop a systematic and robust system that supports rapid growth and expansion whilst ensuring alignment of strategy.

THE USE OF BUSINESS EXCELLENCE MODELS IN ASIA

There are numerous BEMs used in Asia. Asian countries and member countries of the APO with business excellence awards are China, Fiji, India, Indonesia, Iran, Japan, Korea, Malaysia, Mongolia, Nepal, Pakistan, Philippines, Republic of China, Singapore, Sri Lanka, Thailand, and Vietnam. The criteria elements of some of the BEMs used in Asia are shown in Table - 1. The most common model in Asia is the Baldrige CPE (and many of those that now differ from the current Baldrige CPE were based on earlier versions of the Baldrige CPE).

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Hong Kong, Indonesia, Pakistan, Philippines, Thailand and Sri Lanka</th>
<th>Japan</th>
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<th>Malaysia</th>
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<th>India*</th>
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<tr>
<td>1</td>
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<td>2</td>
<td>Strategic Planning</td>
<td>Strategic planning and deployment</td>
<td>Planning</td>
<td>Planning</td>
<td>Strategic Management</td>
<td>Strategy</td>
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<tr>
<td>3</td>
<td>Operations focus</td>
<td>Value creation process</td>
<td>Processes</td>
<td>Processes</td>
<td>Process Management</td>
<td>Processes, products and services</td>
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<tr>
<td>4</td>
<td>Customer focus</td>
<td>Understanding and interaction with customers and</td>
<td>Customers</td>
<td>Customers</td>
<td>Customer and Market Focus</td>
<td>R&amp;D and innovation</td>
</tr>
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</table>
Mantra for Business Excellence:
As we move into the 21st century, the mantra for an eternally successful organization in our opinion needs to have the following components:

• **Special insights into the needs of the customers:** At times, a customer problem stares in the face of a company and so is the solution. However, the company continues to remain a prisoner of its ways. For instance, on the Delhi-Agra highway, there is a mile-long queue at the toll payment gates on peak days. The authorities of National Highways insist on operating only through its installed computer collection points though they increase the number of lanes to six on peak days. Even that is not sufficient as motorists have to wait for 20-30 minutes. As the authorities have plenty of manpower, a simple solution would be to have these people go around with receipt books in hand and collect cash. But, resistance to go in for innovative solutions comes in their way.

• **Business strategies focus on customer value:** Many large companies remain stuck in their operating models and real change comes only with the new generation of entrepreneurs. Michael Dell pioneered the direct ordering model for PCs and reaped huge profits. Till today, his competitors are finding it difficult to adopt this proven model.

• **Quality commitment at all levels:** Quality is mainly a matter of practice and requires implementation of proper principles. The Japan plant of Hewlett-Packard was once able to achieve extremely high part accuracy levels while maintaining production numbers. When asked about their secret, the response was: “quality is obtained by doing our work carefully and not quickly.”

• **Constantly updating products and processes:** Customer feedback can be a powerful input to spot areas where the company needs to work. For instance, we have all bought a cassette recorder but how many of us have used its recording head? If the manufacturer can drop the recording head from the product, the customers can save about five percent of the cost. Somehow, it seems a blind spot for all manufacturers. Similarly, there are components in processes which add to delays rather than solving a customer’s problem quickly.

• **Management by facts and feedback:** Most large companies, including Hewlett-Packard, conduct periodical satisfaction surveys among customers, channel, and employees. These serve as a useful feedback mechanism for course correction. Indian companies of all sizes would do well to emulate this practice.

**Conclusion:**
The business excellence framework provides a holistic standard that covers all the critical factors, processes and results for business excellence. Business excellence frameworks (BEFs) play an important role in promoting, and assisting organisations towards achieving, performance excellence. Many countries see them as a key strategic tool to improve national competitiveness. There are many business excellence frameworks available for analyzing the business excellence. Based on the company’s requirement the management should select and implement suitable business excellence framework for getting desired result.
Reference:
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MEASURING PERFORMANCE IN CREATIVE INDUSTRIES

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**Mr.M.Veera Krishna
***Mr.T.Vasu

Abstract
The name Creative Industry was first used in the United Kingdom and the United States to include the megabucks entertainment, music and arts industry. The creative industries refer to a range of economic activities which are concerned with the generation or exploitation of knowledge and information. They may variously also be referred to as the cultural industries in Europe. According to UNESCO document Cultural industries – including books, audiovisuals and multimedia – generate jobs, income and revenue and are at the same time a central vehicle for promoting cultural diversity at local and international level. The organizations such as UNCTAD, WIPO and ILO are putting their efforts to promote the development of small and medium sized creative industries in developing countries and countries in transition. The new economy is based on information, where creativity, innovation and knowledge play a major role. The arts and culture sector is often given less importance in economic development policies and is seen as a drain on the economy. The cultural industries all over the world have proved this conventional wisdom wrong. Products of the cultural industries are consumed by millions of people all over the globe. Scenario in India is not very different where selected commercial art works are available at a very high price. According to previous literatures, several factors of entrepreneurial personality are strongly contributed to the performance of small and medium business in creative industry, such as; need for achievement, locus of control, creativity, innovative and also strategy to grab market opportunities. Therefore, the purpose of this paper is to measure the relationship between the India’s culture and creative industries. India is in the enviable position of having a large variety of living, skill-based traditions and a number of highly versatile creative people capable of carrying this unique legacy further (approx. 145-175 million skilled practitioners).

Key words: Entrepreneurial personality, Business performance, Creative industry, Creative entrepreneurs.

Introduction
The creative industries refer to a range of economic activities which are concerned with the generation or exploitation of knowledge and information. They may variously also be referred to as the cultural industries or the creative economy comprises advertising, architecture, arts and antique markets, crafts, communication design, designer fashion, film, video and photography, software, computer games and electronic publishing, music and the visual and performing arts, publishing, television and radio. The creative industries have been seen to become increasingly important to economic well-being. The industries of the 21st century will depend increasingly on the generation of knowledge through creativity and innovation.

Creative Workers: All workers employed in creative industries, whether or not creatively occupied (e.g. all musicians, security guards, cleaners, accountants, managers, etc. working for a record company). All workers that are creatively occupied, and are not employed in creative industries (for example, a piano teacher in a school). This includes people whose second job is creative, for example somebody who does weekend gigs, writes books, or produces artwork in their spare time.

Properties or characteristics of creative industries: Creative industries are characterized by seven economic properties:

1. **Nobody knows principle**: Demand uncertainty exists because the consumers’ reaction to a product are neither known beforehand, nor easily understood afterward.
2. **Art for art’s sake**: Workers care about originality, technical professional skill, harmony, etc. of creative goods and are willing to settle for lower wages than offered by ‘humdrum’ jobs.
3. **Motley crew principle**: For relatively complex creative products (e.g., films), the production requires diversely skilled inputs. Each skilled input must be present and perform at some minimum level to produce a valuable outcome.
4. **Infinite variety**: Products are differentiated by quality and uniqueness; each product is a distance combination of inputs leading to infinite variety options (e.g., works of creative writing, whether poetry, novel, screenplays or otherwise).
5. **A list/B list**: Skills are vertically differentiated. Artists are ranked on their skills, originality, and proficiency in creative processes and/or products. Small differences in skills and talent may yield huge differences in (financial) success.
6. **Time flies**: When coordinating complex projects with diversely skilled inputs, time is of the essence.
7. **Ars longa**: Some creative products have durability aspects that invoke copyright protection, allowing a creators or performer to collect rents.
Creative industries produce employment boom

Employment within the creative industries increased at more than 10 times the rate of job growth in the Indian economy as a whole in 2013, according to new government data. The growing importance of sectors including music, film and information technology for the Indian economy at a time when historical sources of strength such as financial services are struggling.

In addition to employment, the statistics showed that the contribution of the creative industries to economic output was increasing faster than any other sector apart from real estate. The Indian government has taken a number of steps in recent years to ensure that the country’s creative industries are competitive on the world stage, such as giving new tax breaks for film and television production.

Many companies in the creative industries, particularly in video games production and IT and software, have complained about skills shortages because the India’s immigration rules have made it increasingly difficult to hire talented people from overseas. For one, we need to understand that this is not an unorganized but a self-organized, self-supporting entity. In the west, the cultural industries have become the most rapidly growing sector in the world, contributing over 7% of the world’s GDP and with potential for further growth. The number of people employed in the crafts sector in the United Kingdom is 24,000, but the number of craftspeople in India is almost 250 million.

India’s contemporary but nascent design and media industry can help us reposition these traditional skills so that we can make inroads into the global market. We can create more tourist destinations in the country. The vocabulary of our pictorial traditions of Madhubani, Warli, Saura, Pithora, Gondh, Patuas, and Patachitra can be extended through the use of animation. Animation, at present, has a global market of $70 billion. Today, we have a $1 billion share of the market, but by using these traditional forms we could make headway and get a $15 billion share by 2012-13.

How do you expect the industrial sector to provide assistance to such large numbers of people?

The agriculture sector, growing at 2% - 3%, has little potential for growth. The organized sector is growing at 1%. The sector with the largest potential for growth is the creative and cultural industries, which cover potters, the handloom and textile sector, folk performers, weavers and musicians. The important thing to understand is that 30% of people in this sector work part-time. The art of Madhubani is being done on a part-time basis. This is also a sector that is always evolving and creating new traditions for itself. For example, Gondana paintings never existed before because the Gonds did not paint earlier. But it has evolved as a powerful art form today.

India’s Creative Industries

- Media and Entertainment is one of the fastest growing sectors in India. The entertainment industry estimated at about US$ 9.4 billion in revenues in year 2012 is expected to reach revenues of US$10.7 billion in 2013.
- With the advent of new technologies such as 2G and 3G, and increasing mobile penetration India’s music industry is scaling on a high note.
- India is the largest film producing market in the world and one of the largest employment sectors in India.
- India is the third biggest internet market, with over 100 million internet user base and the amount of time spent on the internet for an average user in the country is 16 hours a week. According to Google estimates, 40 million users access internet through mobile phones and download 30 million applications. New technologies such as 3G, broadband and mobile infrastructure are also helping in propelling this trend.
- The growth of the fashion industry in India is mainly driven by the growing exposure of domestic designers at international forums attracting a large number of international clients, launch of focused business education courses for emerging designers and the establishment of an industry association. Rising affluence has increased brand awareness among Indian consumers. The Indian textile industry provides direct employment of over 35 million people.
- Growing wealth and disposable incomes of the country’s middle and upper classes, facilitated by the growth in retail infrastructure for entertainment products and services, and the demands for creativity in business is all opening up vast opportunities for businesses in this sector.

Measuring and evaluating the performance of creative industry

Creative Economy is still considered “the cherry” (charming but unimportant….) and not the “cake”. One of the reasons is that we don’t yet have the means to measure it properly. If we take an example (and considering only the economical dimension….) it is clear that we don’t yet have the appropriate methodologies to fully measure it. For instance: if we measure “dance” as a sector we will probably came to a very modest number that encompasses the dancers, choreographers, teachers, performances. If we measure “dancing” as an activity than we have a big number. In Brazil we would have the sum of all the Carnival (!!), traditional celebrations, the night scene and fitness (with all equipments, dancing places, fashion it requires) etc. If we had the tools to measure the curative economy in this broader way it wouldn’t be either “cherry” or “ugly duck” anymore and would deserve the special policies and subsides it actually deserves to fully achieve its strategic role.
We also need to develop methodologies to evaluate the long term impact not only the short term result and we could learn with the ecologists (that can already evaluate impact on the environmental/tangible ecosystem) how to do this regarding the socio-cultural/intangible ecosystem. For instance: Afro reggae(http://www.afroreggae.org.br/) is a NGO from Rio de Janeiro that started as musical project in the “favelas” in a moment where kids from different groups were killing each other. Nowadays the dispute happens through musical competition. Should we measure the value of such experience only by the incomes of kids who became professional musicians or should we find ways of measuring how much is worth that people don’t kill each other anymore? How much self-esteem is worth? How much is worth the socio cultural technology on conflict resolution built upon this experience and now shared with other countries?

But the results of Creative Economy should be measure not only quantitatively but also qualitatively. This is what is happening in the field of Evaluation of intangibles. But the biggest challenge the Economy will soon face is how to measure the other dimensions engages in creative economy activities: social, cultural and environmental.

Conclusion

In summary, the new economy is based on information, where creativity, innovation and knowledge play a major role. The arts and culture sector is often given less importance in economic development policies and is seen as a drain on the economy. The cultural industries all over the world have proved this conventional wisdom wrong. Products of the cultural industries are consumed by millions of people all over the globe. Scenario in India is not very different where selected commercial art works are available at a very high price. Irrespective of the global demand, market reach of craftsmen and communities are limited. Skilled workers (experts) at remote locations are faced with a hand to mouth situation and are bound to leave their traditional work. Also, with rapid change in lifestyle, aging and negligence, the vast repertoire of knowledge and wisdom that sustained and nurtured the community, is fast disappearing. With around 250 million artists and crafts persons, India is crying out for a large scale repositioning and transformation of traditional skills for the global market.

References:-

1. **Creative Industries Journal is now published by Taylor & Francis**
A NEW BUSINESS EXCELLENCE MODEL FROM AN OLD INDIAN PHILOSOPHY

*Ms. A. Sharmila*

Abstract

This paper shows how the 300 BC Indian Vedanta (the ancient Indian scripture) philosophy can be adopted for the improvement of modern business excellence activities. In doing so, the Vedanta Model for Business and its incorporation into the Kanji Business Excellence Model is discussed. The universal application of the model in every sector of business is also described. Various components of Vedanta are looked at and their applications in business excellence are discussed.

Introduction

For over 3000 years there has been an uninterrupted Sanskrit culture in India. At about 300 BC the Sanskrit language of ‘Vedas’ produced the Indian philosophy of ‘Vedanta’. It also produced the ancient Scripture ‘Upanishad’, ‘Bhagavad Gita’, and the epics ‘Mahabharat’ and ‘Ramayna’ etc. There are many themes in Sanskrit literatures but the three central themes are Karma, Bhakti and Janana (Mascaro, 1962).

The word Karma has its root in the Sanskrit ‘Kris’, meaning to create or creation. Creation is the beginning of a journey towards a future existence, requiring effort, work and self-control the whole way. Thus, work is the ethos from conception through construction to conclusion, therefore it can be seen that Karma is work and work is life. This aspect of the Vedanta philosophy shows us the way to a life in harmony with our environment. The philosophy can also be applied in business, industry, education, etc.

Bhakti, the devotion to work, is the bond or union between people while Janana provides the knowledge leading to the vision and joy of ultimate achievement.

Vedanta comes from the combination of two words ‘Veda’ meaning knowledge and ‘Anta’ meaning end; therefore Vedanta is the ultimate knowledge. According to Vedanta philosophy, there are aspects of transformation that can be incorporated into business philosophy. At the physical level, you can be transformed from being self-centred to unselfish to selfless; at the emotional level you become conscious of your emotion. After this awareness comes the change from the lower to the higher emotion. Next is the mental level that teaches you to develop clarity in thinking. When a business leader experiences such a transformation he or she metamorphoses into a business guru. In business, the mentality of the average human being is minimum work and maximum gain; he is more concerned with what he can do for his pocket rather than what he can do for his business. While we can all learn from our mistakes, this is a long and time-wasting route to a goal. It is always better to learn from business knowledge rather than from business mistakes. Business knowledge is based on an understanding of business culture that, in turn, provides the leadership necessary to manage the organization, by facts, so continuously improving all aspects of the organization in order to delight the stakeholders.

The main spiritual disciplines that are guided by the Vedanta philosophy provide the following three levels. In the modern business context it can be interpreted as:

- **Karma** = Creation, Action, Work (Level 1) LIFE
- **Bhakti** = Devotion, Commitment, Loyalty (Level 2) LOVE
- **Janana** = Knowledge, Understanding, Wisdom (Level 3) LIGHT

Over the centuries, Vedanta disciplines have been well established through practice in everyday life in India. However, this is the first time that these principles have been incorporated into a business context.

Vedanta model for business

When we examine the above concepts of Vedanta philosophy we can easily associate Karma with action, link Bhakti to commitment and Janana to understanding in business activities. The role of Karma in business provides the leadership with organizational values, mission, vision and strategy, and is the driving force towards the success of the organization. Bhakti provides commitment to customer satisfaction helps management by facts and continuously improves business by encouraging effective management strategies. Incorporating into business performance the wisdom afforded by Janana the organization will be able to achieve the best result, i.e. business excellence. It is now possible to use the above Vedanta approach to develop a conceptual ‘Vedanta Business Excellence model’ as given in Fig. 1. Here, the critical success factors are leadership, commitment to customer, attention to facts, loyalty to people and enthusiasm for improvement in order to achieve business excellence.
Kanji’s business excellence model (1998)

For the development of his business excellence (BE) model Kanji has used his pyramid (TQM) model, first described in Kanji (1996) (Fig. 2) and later modified in 1998, which incorporates organizations’ critical success factors. In this section, the Vedanta model will be compared with Kanji’s BE model, which provides a holistic view of TQM philosophy. Later, Kanji (1998) created a highly developed quality measurement system using his pyramid model, known as Kanji’s Business Excellence Model (KBEM). The purpose of Kanji’s structural BE model is to apply statistical concepts for measuring organizational excellence. This measurement will enable organizations to analyse interactions between quality dimensions such as leadership, customer satisfaction and employee satisfaction. Kanji’s BE model has been used by organizations in Europe and Asia, providing sufficient evidence to validate the reliability of its theories.

![Fig.1. Vedanta Business Excellence Model](image)

<table>
<thead>
<tr>
<th>A comparison between two models is given below:</th>
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<tbody>
<tr>
<td><strong>Vedanta Model</strong></td>
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<tr>
<td>Karma (Leadership)</td>
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<td>Bhakti</td>
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<td>Commitment to Customer</td>
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<tr>
<td>Attention to facts</td>
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<tr>
<td>Loyalty to people</td>
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<tr>
<td>Dedication to improvement</td>
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<tr>
<td>Janana</td>
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<tr>
<td>Business Excellence</td>
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</tbody>
</table>
Business Excellence is not the total average of all the variables, however, the Business Excellence Index (BEI) is based on how well all other areas perform and is dependent on how the variables correlate.

### The strengths and weaknesses of Kanji’s model are presented below.

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<tr>
<th>Strengths</th>
<th>Weakness</th>
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<td>Systems Approach, where interactions are measured</td>
<td>Not as established and well known as other quality</td>
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<td>Adaptable to company needs – high flexibility and business excellence model</td>
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<td>Fully focuses on the principles of TQM and not only result oriented</td>
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<td>Very cost and time efficient, easy to use</td>
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<td>Utilises comprehensive statistical analysis</td>
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<td>Focus on improvements rather than status of the organization’s quality management scheme</td>
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### Conclusion

One of the benefits of Kanji’s Business Excellence method is that it is applicable to all organizations and allows them to be compared with other organizations. Besides being able to compare with organizations within the same sector, because the index is a single number it is possible for organizations to be compared with industries across various countries.

The strength of this model lies in the fact that it is based on the well-established Vedanta philosophy of business culture: It helps leadership to develop an organization’s values (Karma), improve the core concepts of commitment (Bhakti), and embed business knowledge (Janana) thus achieving the best business results.

It is a universal model that can be used in all aspects of the business world. It can also provide an improvement methodology to resolve the complexities of modern Business Management for the achievement of Business Excellence.

### References

INNOVATIVE HR & BUSINESS PRACTICES IN GLOBAL COMPETITION

*Dr B. Jaya Prakash
**Dr Md.S.Rahaman

Abstract

The rapid rise of multinational Corporations (MNCs) from emerging economies has led to greater interest and urgency in developing a better understanding of the deployment and diffusion of managerial practices and strategies from their perspective. Human Resources (HR) is a rapidly developing business function. The young HR professionals enjoy the excellent career in the area of the HR Management. They contribute to the steadily development of the competitive advantage. The organization does have to focus on building innovative and creative human resource management practices. The HR Management becomes the strategic advantage of the organization. The HR Roles and Responsibilities in the organization do change dramatically. The organization requires the motivated workforce, skilled managers and inspirational leaders. HR develops tools, programs and procedures to build a better organization, which can compete successfully on the market. Therefore the innovative and modern HR Management becomes essential in today’s competitive global corporate world.

Key Words: HR, INNOVATIVE, HRM PRACTICES, HUMAN CAPITAL.

Introduction

The innovative and creative HRM is about the performance management, internal equity, succession planning, talent development, and providing competitive benefits. The development of the innovative Human Resources is a long journey. It took many years to design and develop the efficient HR Business creative Model, but the modern organizations do realize benefits of the design. The HR Management focuses on the building the uniqueness in the organization and providing simple, useful tools for managers and employees. The primary focus of HR changed from providing services to employees to providing managerial and leadership tools to managers. HR does help to employees by cultivating the corporate culture and by teaching managers to be better managers.

The constantly changing business scenario of globalization and privatization has changed the working nature of an organization. This is more so with the organizations in the knowledge industry where the employees, the ‘human capital’ are the revenue generators of a company. This makes Human Resource Management an important part of the organization. Its measurement plays a major role in the effective management of human capital that is likely to impact upon the organization’s performance in the market place. The human capital measures are soft measures that are the strongest link to a company’s financial success. The best HR practices like Work-life balance, Compensation, Recruitment and selection, Health and safety, Labor management relations, Employee ownership, and Workforce retention etc. play a very important role. Measuring human capital using the above core set of measures enables an organization to track its human capital management and HR programs that relentlessly drive corporate results. Human Resource Management helps in bringing HR nearer to its strategic role by signifying those issues, such as ROI of HR practices that bring in a marked difference in the growth and success of an organization. It decides the future course of an organization guides the investment decisions and provides understanding of the benefits and transaction in people’s decisions. Currently, HRM has become the prime cause of prosperity and wealth creation. It is the finer management and measurement of human capital, which determine rewards and shareholders’ value in the marketplace. This trend has been catching up with various global companies such as Infosys, IBM, and Tata etc.

Pharmaceutical Industry that attracts retains and develop the most competent and productive employees are likely to enjoy a real competitive advantage. Research recently conducted by the Accenture for High Performance Business and Science Magazine shed new light on the link between human capital development and financial performance. The research show that pharmaceutical companies that are good at developing human capital in terms of leadership work environment, work/life balance and academic collaboration also experience higher performance in revenue growth rates. High performance pharmaceutical companies are more likely to boast of adaptive, risk-taking leaders who promote employee autonomy. They are also more likely to create and maintain a work environment that values employee diversity, rewards individual employee performance, and encourages continued learning and training.
The Innovative HR Practices in Global Firms

Today’s human resource management cannot set itself aside as the mere functional department for common welfare, selection, rewards, recognition, compensation, remuneration, work culture and productivity of employees. As the corporate and business process is growing in services and innovations, the choice for a better job is huge for any employee in the present employment scenario. Most challenging task for the human resource manager in the present scenario is the talent hunt and hiring process and retention of talented as well as most productive employees in the company. This focus is acutely present in the HR policies of the companies with most innovative human resource management practice. Here we would introduce some of the greatest global companies with most innovative human resource management practice.

Syntel

This global IT Company recently awarded in several categories of human resource management in the HRD congress. The use of technology for achievement of strategic HR objectives and creative practices in HR solution made it to be one of the most valued companies with most innovative HRM practices.

Google

Google is still considered to be one of the most popular and preferred destination for the career aspirants in information technology. Google is a brand name where ideas of the employees are most valued and encouraged and it has a unique culture for supporting the employee at every possible difficulty. The most innovative idea of Google is to encourage the employees to spend 20% of their productive time on their own creative ideas and value addition initiatives.

Larsenand Toubro

L&T engineering and construction division is recently awarded the Asia Pacific HR Conclave Award for most innovative HR practices. The main strength of the company’s HR practice lies in rigorous and continuous training in general management, technical disciplines and business policy and this made L&T as one of the top companies with most innovative human resource management practices.

Infosys

Training at Infosys was an ongoing process. When new recruits from colleges joined Infosys, they were trained through fresher training courses. They were trained then on new processes and technologies. As they reached the higher levels, they were trained on project management and later were sent for management development programs, followed by leadership development programs.

Infosys conducted a 14.5 week technical training program for all new entrants. The company spent around Rs. 200,000 per year on training each new entrant. The new recruits were trained at the Global Education Center (GEC) in Mysore, which had world class training facilities and the capacity to train more than 4500 employees at a time. GEC, which was inaugurated in February 2005, was spread over 270 acres and was the largest corporate training center in the world with 58 training rooms and 183 faculty rooms.

Focus on Learning: A lot of investment in employee-focused resources (e-Learning) and creating libraries for employees, holding workshops. All employees are eligible for ESOPs after one year of joining

Accenture

All Accenture employees have career counselors, typically two levels above them in the hierarchy, who are given a budget and specific time to mould the career of their wards. It has a Cross Entity Leadership Program to allow people to switch between businesses, and all openings are posted on internal portals. It allows employees to work from home and also work part time. It has set up an In-house Event Management arm and employees who take part in clubs and special interest groups are expected to conceive and run programmes for each of these initiatives, ranging from sports to corporate social responsibility.

Texas Instruments

Measuring the results of recruiting efforts is the best way to determine the success of a recruiting program, according to Texas Instruments (TI). Not only does the company track traditional measures, such as hiring cycle time and cost-to-hire, to ensure productivity, it also uses a quality-of-hire metric to determine whether it's getting the right talent for the right job.

Four months after an employee is hired at Texas Instruments, his/her manager are asked to rate the employee (as part of a survey) on whether the person is "meeting", "not meeting", or "exceeding" the manager’s expectations. Currently, TI managers report that 97 percent of their new hires are exceeding expectations. New employees are also surveyed to see if the job they are performing is what they had expected.
Above mentioned companies with most innovative human resource management practices have a significantly higher rate of retention and gross wellbeing of the employees which made these companies a preferred place of work.

**The Creative and Innovative HR Practices**

**SAFE, HEALTHY AND HAPPY WORKPLACE**

A safe and happy workplace makes the employees feel good about being there. Each one is given importance and provided the security that gives them the motivation and incentive to stay. This is usually achieved through internal surveys to find out whether they are satisfied and if not what they think needs to be changed. Creating a safe, healthy and happy workplace will ensure that your employees feel homely and stay with your organization for a very long time.

**OPEN BOOK MANAGEMENT STYLE**

Sharing information about contracts, sales, new clients, management objectives, company policies, employee personal data etc. ensures that the employees are as enthusiastic about the business as the management. Through this open book process you can gradually create a culture of participative management and ignite the creative endeavor of your work force. It involves making people an interested party to your strategic decisions, thus aligning them to your business objectives. Be as open as you can. It helps in building trust & motivates employees. Employee self service portal, Manager on-line etc. are the tools available today to the management to practice this style.

- **Performance linked Bonuses**
  Paying out bonuses or having any kind of variable compensation plan can be both an incentive and disillusionment, based on how it is administered and communicated. Bonus must be designed in such a way that people understand that there is no payout unless the company hits a certain level of profitability. Additional criteria could be the team's success and the individual's performance. Never pay out bonus without measuring performance, unless it is a statutory obligation.

- **360 Degree Performance Management Feedback System**
  This system, which solicits feedback from seniors (including the boss), peers and subordinates, has been increasingly embraced as the best of all available methods for collecting performance feedback. Gone are the days of working hard to impress only one person, now the opinions of all matter, especially if you are in a leadership role (at any level). Every person in the team is responsible for giving relevant, positive and constructive feedback. Such systems also help in identifying leaders for higher level positions in the organization. Senior managers could use this feedback for self development.

- **Fair Evaluation System for Employees**
  Develop an evaluation system that clearly links individual performance to corporate business goals and priorities. Each employee should have well defined reporting relationships. Self rating as a part of evaluation process empowers employees. Evaluation becomes fairer if it is based on the records of periodic counseling & achievements of the employee, tracked over the year. For higher objectivity, besides the immediate boss, each employee should be screened by the next higher level (often called a Reviewer). Cross - functional feedback, if obtained by the immediate boss from another manager (for whom this employee's work is also important), will add to the fairness of the system. A relative rating of all subordinates reporting to the same manager is another tool for fairness of evaluation. Normalization of evaluation is yet another dimension of improving fairness.

- **Knowledge Sharing**
  Adopt a systematic approach to ensure that knowledge management supports strategy. Store knowledge in databases to provide greater access to information posted either by the company or the employees on the knowledge portals of the company. When an employee returns after attending any competencies or skills development program, sharing essential knowledge with others could be made mandatory. Innovative ideas (implemented at the work place) are good to be posted on these knowledge sharing platforms. However, what to store & how to maintain a Knowledge base requires deep thinking to avoid clutter.

- **Highlight performers**
  Create profiles of top performers and make these visible though company intranet, display boards etc. It will encourage others to put in their best, thereby creating a competitive environment within the company. If a systems approach is followed to shortlist high performers, you can surely avoid disgruntlements.

- **Open house discussions and feedback mechanism**
  Ideas rule the world. Great organizations recognize, nurture and execute great ideas. Employees are the biggest source of ideas. The only thing that can stop great ideas flooding your organization is the lack of an appropriate mechanism to capture ideas. Open house discussions, employee-management meets, suggestion boxes and ideas capture tools such as Critical Incidents diaries are the building blocks that can help the Managers to identify & develop talent.

- **Reward Ceremonies**
  Merely recognizing talent does not work, you need to couple it with ceremonies where recognition is broadcast. Looking at the Dollar Check is often less significant than listening to the thunderous applause by colleagues in a public forum.

- **Delight Employees with the Unexpected**
  The last but not least way is to occasionally delight your employees with unexpected things that may come in the form of a reward, a gift or a well-done certificate. Reward not only the top performers but also a few others who are in need of motivation to exhibit their potential. EmpXtrack’ is a
composite HR solution which helps in the institutionalization of most of these best practices by utilizing software tools. EmpXtrack team is always available to provide you with systems which are synchronized with your HR processes.

Conclusion

It is required of an organization to successfully manage and measure its human capital and create competitive business advantage through effective human talent performance. Companies employing Human Capital measurement are more likely to build and sustain an environment that is valued by the employees. An employer’s initiatives in employees’ welfare and benefits, work-life balance and their social undertakings outside the organization boost the employees’ pride, satisfaction and loyalty towards their organizations and reduce employee burnout, tardiness and turnover. These factors lead to excellent human capital performance and outstanding financial performance of the company. This has a significant impact upon the long-term performance of the company and in the shareholders’ profit maximization. Such healthy HR practices encourage the growth of the organization as employees after all play a major role in the well-being of a company. Making an employee feel like a million dollars pays in the form of the success of an organization.

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SIX- SIGMA: A CONTEMPORARY NOTE OF METHODOLOGY, INNOVATION & IMPLEMENTATIONS

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Abstract

Six Sigma is a measure of quality that strives for near perfection and a disciplined data driven approach and methodology for eliminating defects (driving towards six sigma standard deviation between the mean and the nearest specification limit) in any process from manufacturing to transactional and from product to service. The statistical representation of six sigma describes qualitatively how a process is performing. The six sigma DMAIC process (Define, Measure, Analyze, Improve, and Control) is an improvement system for existing processes falling below specification and looking for incremental improvement. The six sigma DMADV process (Define, Measure, Analyze, Design, and Variety) is an improvement system used to develop new processes or product at six sigma quality level. The word sigma is a statistical term that measures how far the given process deviates from perfection. The central idea perceived six sigma is that if you can measure how many defects are in the process, you can systematically figure out how to eliminate them and get as close to zero defects as possible. And gauge of quality and efficiency and a measure of excellence. In present scenario six sigma applied as a methodology to accelerate improvement, instead of as a futile exercise in statistics. In this context an attempt has been made to study the Six Sigma Methodology and Tools, Innovation and Implementations.

Six Sigma Methodologies:

MAIC was developed, and this evolved into DMAIC, where D stands for define, M stands for measure, A stands for analyze, I stands for improve and C stands for control. Experience shows that D is the essential phase for achieving dramatic improvement quickly, and C is the most critical phase for realizing return on investment in six sigma projects. The define phase requires the implementation of many tools, and the control phase can aid in sustaining improved result, which requires the use of internal controls as well as management involvement. The success of DMAIC methodology depends on working well on the right projects. The right project is the one that has a significant return on investment. Sometimes people get training in six sigma but cannot find projects or sometimes a company commits to six sigma but does not allow time to work on projects. Getting projects started is easy; the difficult part is completing and closing those projects. Thus the right first priority is to identify the right projects to work on which will have an impact on the bottom line and generate savings for the business. Several potential projects must be identified and evaluated based on a cost and benefit analysis. A simple measure, like the project prioritization index (PPI), can be used to prioritize projects according to the following equation.

\[ PPI = \frac{\text{benefits}}{\text{cost}} \times \frac{\text{probability of success}}{\text{time to complete the project in years}} \]

At minimum, the PPI should exceed 2 to ensure a return on investment. Initially one can find many projects with PPI greater than 4 thus making it somewhat easier to realize savings.

Six Sigma Tools:

The six sigma methodology incorporates numerous tools. The unique and useful six sigma tools include: KANO'S model to capture customer critical requirements, SIPOC (Suppliers, Inputs, Process, Outputs, and Customers), statistical software for analysis, Multi-vary analysis for identifying a predominant family of variation or inconsistencies, planned experimentation, and the 4P model to sustain gains. The following table summarizes simple yet powerful tools in the DMAIC methodology:

<table>
<thead>
<tr>
<th>Phase</th>
<th>Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Define</td>
<td>Pareto, process map, Kano’s Analysis, SIPOC, CTQ, Project charter</td>
</tr>
<tr>
<td>Measure</td>
<td>Cost of quality, DPU, DPMO, Sigma level, Average Range, Standard Deviation</td>
</tr>
<tr>
<td>Analyze</td>
<td>Root cause analysis, FMEA, Scatter plot, Visual correlation</td>
</tr>
<tr>
<td>Improve</td>
<td>Comparative and full factorial experiments</td>
</tr>
<tr>
<td>Control</td>
<td>Process thinking (4P model), Review, Control charts, Scorecard</td>
</tr>
</tbody>
</table>

While utilizing various six sigma tools, the dogma of statistics discourages many practitioners. In most cases in the manufacturing industry (as well as in the service and software areas), a lot of statistics need not be used. Actually by utilizing some commonly-used tests for evaluating process improvement (using the mean or variance, for example), we have extracted the most likely statistics and presented them here in a simplified form.

Six sigma Measurements:
The three commonly used measurements are DPU (Defects / errors per unit), DPMO (Defects per million opportunities), and sigma level. The DPU is a unit or the output level measurement. DPMO is the process level measurement, and sigma is a business level measurement. Sigma provides a common theme for the organization and requires a lot of improvement to show a positive change.

The customer cares for DPU, the process engineer needs to know DPMO, and the business needs to know the sigma level. All of these measurements can be used to communicate performance expectations and progress throughout an organization.

The most commonly used measurement driving improvement in an organization must be DPU. The DPU is converted into DPMO based on the process or product complexity, and the DPMO is transformed into the sigma level for establishing a common performance measurement across all functions in an organization.

Executive understanding of six-sigma

The most critical factor in making a Six Sigma corporate initiative successful is the passionate commitment of leadership. However, passionate commitment must come with the correct understanding of the intent of Six Sigma and with effective executive support of the initiative. To create passionate commitment, leadership must learn certain tools and skills. These tools and skills are listed in Table.

Table incorporates 10 tools an executive must become familiar with in order to actively participate in the Six Sigma initiative. With the help of these key executive tools, executives can steer their Six Sigma initiative in the right direction to achieve bottom line results. Otherwise, the Six Sigma implementation will staggeringly crash to the ground.

**Strategy Tools of Six-Sigma**

<table>
<thead>
<tr>
<th>Tool/Concept</th>
<th>When (Application)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee recognition</td>
<td>To inspire dramatic improvement and employee innovation.</td>
</tr>
<tr>
<td>Process Thinking</td>
<td>Helps understand business processes and how to lead them for improvement</td>
</tr>
<tr>
<td>Six-sigma business scorecard</td>
<td>Learning to achieve improvement in performance and profitability.</td>
</tr>
<tr>
<td>Management Review</td>
<td>Monthly feedback to the management team for necessary adjustment to achieve growth and profitability.</td>
</tr>
<tr>
<td>Statistical Thinking</td>
<td>Helps in determining degree of adjustment or type of action to be taken.</td>
</tr>
<tr>
<td>Six-sigma overview</td>
<td>Decision making, specifically when committing to six-sigma</td>
</tr>
<tr>
<td>Pareto principle</td>
<td>When deciding about what to work on first</td>
</tr>
<tr>
<td>Process mapping</td>
<td>Identifies disconnects in the business and opportunity for improvement.</td>
</tr>
<tr>
<td>Cause and Effect Analysis</td>
<td>Identifies the root cause(s) of problems and remedial actions.</td>
</tr>
<tr>
<td>Rate of Improvement</td>
<td>Achieves dramatic process improvement by reducing waste and achieving profitability.</td>
</tr>
</tbody>
</table>

**Six Sigma Ideology:**

An organization makes the commitment to implement six-sigma. One of the commonly-asked questions is about its effect on the corporate culture. People talk about cultural change, resistance to change, decision making, and Institutionalizing six-sigma. The following table shows the extent of transformation needed at the thinking level in order for six-sigma in various aspects of business organization, to become a way of doing work for achieving excellence and happy customers.

<table>
<thead>
<tr>
<th>ASPECT</th>
<th>SIX-SIGMA IDEAOLOGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>Quality and time</td>
</tr>
<tr>
<td>Manufacturability</td>
<td>Robust design</td>
</tr>
<tr>
<td>Variable research</td>
<td>Design of experiments</td>
</tr>
<tr>
<td>Process adjustment</td>
<td>Statistical controls</td>
</tr>
<tr>
<td>Problem solving</td>
<td>Process based</td>
</tr>
<tr>
<td>Focus</td>
<td>Process</td>
</tr>
<tr>
<td>Behavior</td>
<td>Proactive</td>
</tr>
<tr>
<td>Suppliers selection</td>
<td>Process capability</td>
</tr>
</tbody>
</table>
SIX-Sigma is a methodology, as well as a strategy, to achieve superior performance to become best in class in everything.

Six Sigma Innovations:
Innovation appears to be very much aligned with the intent and expectation of any corporate six-sigma. When emphasizing innovation to achieve six sigma results, one must consider creating a culture for innovation. Innovative ideology must become an integral part of the six sigma initiative and must, therefore, be integrated through implementation and recognition. Every employee in a corporation is capable of being innovative. Bringing out the ability to achieve significant improvement is an expectation that leadership must establish and seek. The intellectual participation of employees must be a leadership mantra. All good leaders see potential in their employees and exploit it as the only way to achieve sustained improvement. Innovations begin with intellectual involvement of employees through ideas. The process of effective implementation and success has been far from satisfactory.

Effective leaders must possess the following four skills to produce a lot of improvement quickly:

- **Time management:** A lack of time management skills stalls the execution of any planned activity. Projects planned behind schedule because people like to work on convenient things instead of important things. People think they are busy but are unable to see any progress.

- **Process thinking:** Process thinking relates to the 4P model of the process excellence. The prepare stage is where we identify the inputs necessary to perform the process well. The perform stage is where we take steps to perform tasks involved in a process. The perfect stage is where we compare the process output with the target value. Finally, the progress stage involves learning from the root cause analysis of deviation from the target.

- **Statistical thinking:** Statistical thinking requires an understanding of random and assignable variation. The random variation is uncontrollable, while the assignable variation occurs because of a specific action. Statistical thinking allows leaders to make a decision based on the understanding of the nature of variation.

- **Innovative thinking:** Innovative thinking implies doing things differently. In order to practice innovative thinking, one must possess the process knowledge, be able to experiment with the various possibilities, and see beyond the obvious by stretching the solution to achieve breakthrough improvement. If an organization plans to benefit from a six-sigma initiative over the long term, its leaders must institutionalize innovative thinking throughout the organization.

Incorporating innovation:
While preparing to launch six sigma initiatives, expect to make a significant improvement in performance based on the innovative thinking. Concepts of incremental improvement must be discouraged, because they lead to mediocre solutions and prevent people from realizing the full potential of the initiative. The leadership most identifies and assimilates innovation in to a company’s values by determining corporate believes and tactics and creating an environment for innovation. Leaders must also define innovation in the organizational context and develop a corporate strategy for achieving the innovate success. Leaders should establish the expectation and recognition for innovation from employees at all levels. Innovation strategies should include training; communication of expectations and objectives; delineation of the roles of executives, managers and employees; intellectual property management, and commercialization of innovative products or services. Starting innovation at personal level, one can look into the following traits practiced by most innovators:

1. A quick system level understanding to speed up the creativity process.
2. Unique and thoughtful ways to overcome obstacles or get around constraints.
3. The ability to optimize a solution while exploiting many constraints.
4. Commitment to the change in paradigm.

Six-Sigma Implementation Plan:
Six-sigma approach is to implement a corporate performance measurement system. An effective scorecard is implemented with inputs such as corporate performance measurements, departmental measurements, a frequent performance reviews, and periodic communication with stakeholders. A well implemented scorecard is a
prerequisite to sustain the six-sigma initiative over a long term. Besides the scorecard the leadership must sustain the six-sigma initiative with some exciting changes, energy and activities. The following table provides a good framework for understanding and implementing the six-sigma initiative well in the organization.

**Implementation plan**

<table>
<thead>
<tr>
<th>NEEDS FOR SIX-SIGMA INITIATIVE</th>
<th>PROCESS STEPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership education</td>
<td>Commit to six-sigma</td>
</tr>
<tr>
<td>Drivers for six-sigma</td>
<td></td>
</tr>
<tr>
<td>Market position</td>
<td></td>
</tr>
<tr>
<td>Business opportunities analysis</td>
<td></td>
</tr>
<tr>
<td>Qualified resources</td>
<td></td>
</tr>
<tr>
<td>Competitive assessment and awareness</td>
<td></td>
</tr>
<tr>
<td>Corporate performance</td>
<td></td>
</tr>
<tr>
<td>Prioritized list of projects</td>
<td>Planning for six-sigma</td>
</tr>
<tr>
<td>Executive team training</td>
<td></td>
</tr>
<tr>
<td>Strategy for implementing six-sigma</td>
<td></td>
</tr>
<tr>
<td>Resources for training and mentoring</td>
<td></td>
</tr>
<tr>
<td>Measurement of success</td>
<td></td>
</tr>
<tr>
<td>Organization chart</td>
<td></td>
</tr>
<tr>
<td>Corporate performance measurement model</td>
<td>Implement performance measurement system for the six-sigma initiative</td>
</tr>
<tr>
<td>Departmental measurements</td>
<td></td>
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<tr>
<td>Performance review process and frequency</td>
<td></td>
</tr>
<tr>
<td>Performance commitment with stakeholders</td>
<td></td>
</tr>
<tr>
<td>Competitive compensation information</td>
<td>Establish a six-sigma performance driven compensation system</td>
</tr>
<tr>
<td>Commitment to reward and recognize excellence</td>
<td></td>
</tr>
<tr>
<td>Commitment to communicate consequences of poor performance</td>
<td></td>
</tr>
<tr>
<td>A fair and objective performance review system</td>
<td></td>
</tr>
<tr>
<td>Successful completion projects with significant savings</td>
<td>Recognize success</td>
</tr>
<tr>
<td>Innovative solution</td>
<td></td>
</tr>
<tr>
<td>Extraordinary effort and results</td>
<td></td>
</tr>
<tr>
<td>Recognition process</td>
<td></td>
</tr>
<tr>
<td>Qualified candidates for black belt expertise</td>
<td>Develop internal expertise and resources</td>
</tr>
<tr>
<td>Project mentors from successful project teams</td>
<td></td>
</tr>
<tr>
<td>Lessons learned</td>
<td></td>
</tr>
<tr>
<td>Scorecard</td>
<td>Monitor and sustain improvement</td>
</tr>
<tr>
<td>Continual assessment and renewal</td>
<td></td>
</tr>
</tbody>
</table>

**Conclusion:**

Six-sigma is designed to accelerate improvement using an integrated and comprehensive approach with an extensive tool. The most important aspect of six-sigma is its ability to channel corporate energy into continually creating value and intellectually engaging employees by challenging them for dramatic improvement. Expecting innovative solutions will lead to innovative employees. Organizations recruit knowledgeable people but are often unable to exploit their knowledge, which is a huge waste with no salvage value.

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MANAGEMENT PRACTICES BY SELF HELP GROUPS
IN KRISHNA DISTRICT

* Mrs.G.Madhu Sri

Abstract
India now occupies a significant place and a niche in global microfinance through promotion of the Self Help Groups (SHGs) and the home grown SHG-Bank Linkage (SBL) model. The SHGs, people’s voluntary and informal institutions, are organised as viable alternative to achieve the objectives of rural development and to get community participation in rural development programmes. The Indian model offers greater promise and potential to address poverty as it is focused on building social capital through providing access to financial services through linking with the mainstream. Though the access to credit has been seen as a motivational factor behind the formation of Self Help Groups (SHGs), SHGs have a potential that goes beyond mere economics of loan management. SHGs ensure people’s participation in the development process as these are the grass rootlevel democratic institutions of rural people. An examination of various management aspects of the Self Help Groups is very important in order to make recommendations to ensure long run sustainability of these groups. This paper explains the general management practices of the sample Self Help Groups (SHGs) in Krishna District.

Introduction:
Self Help Group (SHG) Movement in India has been recognized as an effective strategy for mobilization and empowerment of rural people, particularly poor women and other marginalized groups. Grass root level Organizations like SHGs ensure people’s participation in the development process. It is a new form of a movement which aims at reducing the incidence of poverty through the provision of easy credit. Women play a pivotal role in the development of the family, the society and the nation as a whole. They provide a forum in which people can meet on regular basis and discuss the issues and concerns that they face in their day to day life. Success of every Self Help Group depends on its management in conducting meetings at specified time and venue is of crucial importance. Properly conducted meetings produce positive results and good decisions. Meetings should be held regularly and all members should participate in such meetings because the decisions taken at such meetings influence each and every one of the members.

The Self Help Group (SHG) does not encourage having regular group leaders e.g., President, Secretary or the Treasurer, since such offices create different types of feelings among the members. All members are equal. It is only for the conduct of the meeting that the group elects a Chairperson. The principle of rotational leadership should be adopted to distribute power and opportunity to all the members of the group. The SHG is an ideal institution which can help resolve some of the internal and inter-personal conflicts through discussions and consensus.

The number of meetings per month held by SHGs, attendance of members and participation of members in the group meetings are indicators of the well functioning of the SHGs. These are generally looked into by banks before deciding on extending credit facilities to the SHGs. As the SHGs are involved in monetary transactions, they have to maintain and update a number of documents. This is an integral part of the successful running of a SHG.

It has evolved over the past quarter century across India into various operating forms and to a varying degree of success. India now occupies a significant place and a niche in global microfinance through promotion of the self-help groups (SHGs) and the home grown SHG-Bank Linkage (SBL) model. The Indian model offers greater promise and potential to address poverty as it is focused on building social capital through providing access to financial services through linking with the mainstream. Further, there is a need to take a look at the general management practices of the Self Help Groups besides various income generating activities taken up by them.

1.1. Self Help Group (SHG) Definition:
NABARD being the principal agent in rural development in India has defined the concept of SHGs as “small, economically homogeneous affinity groups of rural poor, voluntarily formed to save and mutually contribute to a common fund to be lent to its members as per the group members’ decision”.

1.2. What is a self-help group?

a. A group of people meeting with common problems or experiences; in this context, stammering.

b. Agroup that people join to meet their own needs, and provide support for other members.
1.3. Organization and Function of Self Help Group:

Generally, SHGs are promoted by banks, NGOs, government departments, other institutions and these are called the Self Help Promoting Institutions (SHPIs). These SHPIs get the members together, explain and advise about formation and functioning of the groups, help them to form rules and regulations and in the training of group leaders, teach them simple accounting procedures and generally see to it that after a time the members would be able to manage the SHGs themselves. The Self Help Group generally has members not exceeding 20 and each group selects among its members one leader. The group members save a regular amount.

The group rotates the money to the needy members for various purposes at a specified interest rate. As the repayment is cent per cent and the recycling is very fast the savings amount increases faster owing to the accumulation of income from interest. Saving habit helps the members to escape from the clutches of moneylenders. Saving habit paves the way for the empowerment of women and builds confidence in them that they can stand on their own feet. After the group stabilizes over a period of six months or more in the management of its own funds, it conducts regular meetings/maintain savings and give loans to members on interest. The SHGs are being linked with the banks for the external credit under the projects of rural development.

The borrowers repay the banks loan properly. They remit the loan dues to the animator at group meetings and animator repays the same to the bank. The SHGs repay more than 90 per cent loans of the banks in time in contrast to less than 35 per cent of repayment under IRDP. Besides focusing on entrepreneurial development and empowering women, SHGs concentrate on all round development of the beneficiaries and their village as a whole. The group undertakes the responsibility of delivering non credit services such as literacy, health and environmental issues.

1.4. Objective of the Study:

To analyze the general management practices of the sample Self Help Groups in Krishna District

1.5. Methodology:

The study uses both primary data and secondary data. Multi-stage random sampling method is used for the present study to collect primary data. Krishna district being selected for the present study. At the next level, three mandals are selected for the present study. From each mandal, 100 SHG members, who are engaged in income generating activities, are selected randomly. Thus, the total sample size is 300. Primary data was collected from the 300 sample respondents using pre-tested questionnaire.

Sample Distribution

Table: 1.1

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the mandal</th>
<th>Total No. of SHGs</th>
<th>No of SHG members</th>
<th>No. of SHG Members Taken for sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Vijayawada ®</td>
<td></td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Nuzvid</td>
<td></td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Machilipatnam</td>
<td></td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>300</td>
</tr>
</tbody>
</table>

1.6. General Management Practices:

This Section reviews the general management practices followed in the sample respondents’ SHGs. The number of meetings per month held by SHGs, attendance of members and participation of members in the group meetings are indicators of the well functioning of the SHGs. These are generally looked into by banks before deciding on extending credit facilities to the SHGs. Ideally, the meetings should be held weekly or at least monthly, so that members get together frequently, establish bonds and understand each others’ difficulties. Attending meetings and participating in the discussions, and having knowledge about the rules and regulations of the SHG also imply that the members are empowered to take part in the decision-making processes.

1.6.1 Meetings:

It is found from the study the all the sample respondents are holding meetings. Sample respondents are also asked to inform frequency of meeting. Table – 1.2 indicates distribution of the sample respondents by frequency of
meetings. It is revealed from the table that the group meetings are mostly conducted on monthly basis generally in the study area to discuss functioning of the group (96 percent), followed by fortnightly (2 per cent) and weekly (2 per cent). It is interesting to note from the study that besides these general meetings, sample respondents are also holding meetings whenever necessary, say, when a member is in a problem or when a member requires internal group loan. In these emergency meetings, they discuss the problems of the incumbent member and later they are collectively fighting to resolve the problem of the incumbent. Thus, study reveals the positive impact of the SHGs on the part of the life of the women in the study area in particular and in the country in general.

Regarding frequency of meetings among different categories of respondents, it is clear from the table that majority of the respondents of all categories of respondents holding meetings once in a month. Some of the clothes business women and vegetables vending business women are conducting meetings fortnightly, whereas a few of the grocery shop business women and fancy shop business women are holding meetings once in a week.

Sample respondents are conducting the group meetings with a specific agenda. They are also discussing in the meeting about various issues like family problems, children education, health, etc. It is worthwhile to note from the study that all the members in the group are sitting in circle and are conducting group meetings. This is also the good practice followed in the study area since sitting in circle will create a feeling that all members are equal in the group. They can all see each other if they sit in a circle. It is a convenient arrangement for discussion.

### Table 1.2

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency of Meetings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Once in a week</td>
<td>Fortnight</td>
</tr>
<tr>
<td>Tailoring Women</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Grocery shop business women</td>
<td>3 (12.50)</td>
<td>0</td>
</tr>
<tr>
<td>Fancy shop business women</td>
<td>3 (5.60)</td>
<td>0</td>
</tr>
<tr>
<td>Clothes business women</td>
<td>3 (5.90)</td>
<td>0</td>
</tr>
<tr>
<td>Vegetable vending business women</td>
<td>0</td>
<td>3 (12.50)</td>
</tr>
<tr>
<td>Fish vending business women</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dairy business women</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Petty business women</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tiffin stalls business women</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>6 (2.00)</strong></td>
<td><strong>6 (2.00)</strong></td>
</tr>
</tbody>
</table>

Everybody will be able to observe how the books are maintained and transactions made in the meeting. Further, it is found from the study that sample SHGs are holding the meetings at a different member’s house each time. Thus, the SHGs enable that each member has an equal stake in the group and her family members would learn about what happens in a meeting. Thus, the study reveals that sample SHGs are not confined only to savings and credit but also creates awareness about various issues like education, health, etc. They are also discussing about the social activities to be taken up in their villages.
1.6.2 Attendance to the group meetings:

Sample respondents are asked whether they attend to the group meetings regularly. Distribution of the sample respondents by their attendance to the group meetings is provided in Table – 1.3. It is evident from the table that as many as 72 per cent of the sample respondents are attending to all the group meetings, while 16 per cent of the sample respondents are attending to the group meetings whenever convenient. A small percentage of the respondents reported attending of group meetings rarely (11 per cent), while only one per cent of the respondents are not responded.

<table>
<thead>
<tr>
<th>Category</th>
<th>Attendance of the members to the meetings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All the meetings</td>
<td>Whenever convenient</td>
</tr>
<tr>
<td>Tailoring Women</td>
<td>27 (100.00)</td>
<td>0</td>
</tr>
<tr>
<td>Grocery shop business women</td>
<td>12 (50.00)</td>
<td>6 (25.00)</td>
</tr>
<tr>
<td>Fancy shop business women</td>
<td>36 (66.70)</td>
<td>12 (22.20)</td>
</tr>
<tr>
<td>Clothes business women</td>
<td>33 (64.70)</td>
<td>15 (29.40)</td>
</tr>
<tr>
<td>Vegetable vending business women</td>
<td>18 (75.00)</td>
<td>3 (12.50)</td>
</tr>
<tr>
<td>Fish vending business women</td>
<td>6 (100.0)</td>
<td>0</td>
</tr>
<tr>
<td>Dairy business women</td>
<td>6 (100.0)</td>
<td>0</td>
</tr>
<tr>
<td>Petty business women</td>
<td>54 (66.70)</td>
<td>12 (14.80)</td>
</tr>
<tr>
<td>Tiffin stalls business women</td>
<td>24 (88.90)</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>216 (72.00)</strong></td>
<td><strong>48 (16.00)</strong></td>
</tr>
</tbody>
</table>

Sample respondents, who are not attending to the meetings regularly, are asked whether they intimate in advance about their absence to the group meeting. It is found from the study that most of the sample respondents are not intimating in advance about their absence to the group meetings. However, they are intimating to the group leader whenever they meet and the group leader explains the business discussed in the meeting. Some of the sample respondents are only intimating about their absence in advance and they are giving their consent for the resolutions to be passed in the meeting. Hence, there is a need to inculcate the group members to intimate about their absence in advance to the group meetings.

1.6.3 Rules and regulations:

Table – 1.4 shows distribution of the sample respondents by awareness about rules and regulations. It is pertinent from the study that 98 per cent of the sample respondents reported having awareness about rules and regulations, while only two per cent of them reported unawareness. Except a few of the tailoring women and clothes business women, all the members under study reported having awareness about rules and regulations of the SHGs.

<table>
<thead>
<tr>
<th>Category</th>
<th>Awareness about Rules and Regulations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aware</td>
<td>Unaware</td>
</tr>
<tr>
<td>Tailoring Women</td>
<td>24</td>
<td>3</td>
</tr>
</tbody>
</table>
Sample respondents stated that they know the five rules stipulated by the government, namely, weekly meetings, weekly savings, weekly small internal loans, weekly repayments and updating books of accounts regularly. Though they know these rules, it is found from the study that they are not following these rules. In other words, they are conducting meetings monthly, collecting savings monthly and making repayments monthly in spite of reiterated calls of the concerned officials.

1.6.4. Rotation of Group Leaders:
Rotational leadership does not allow domination by a few members and it will enable all the group members to develop leadership qualities through practice. It creates equal opportunity to each and every member in the group besides enabling share of responsibilities. Sample respondents are asked whether there is rotation in the leadership of the group. It is noted from the study that sample groups are changing their group leader for each new loan they received from the bank. Other than this, they are not following any rotation for the group leader. They stated that changing of group leader is a complex process. Though they can easily change the Group Leader in the Grama Samaikya easily, they are facing serious problems in the bank to change the group leader. Hence, the sample groups are not resorting to changing group leader frequently on rotation basis. They are continuing the present Group Leader till the successful repayment of the present loan and they are changing their Group Leaders by the time of receiving of the new loan if necessary.

1.6.5. Conflict Management:
With regard to conflict management in the groups, it is evident from the study that Grama Samaikya (Village Organization) is involving in the conflicts of the group and resolving the problems in case leader is unable to solve the problems. It is found from the study that sample groups are not following any management approaches for conflict management. Further, the district level meetings organized by the concerned government officials are not giving any training to the group leaders to deal with the conflicts among the group members.

1.6.6. Periodical appraisal of performance of the group:
Sample respondents are asked whether their group appraises its performance periodically. Distribution of the sample respondents by whether they appraise the performance of their group periodically is presented in Table – 1.5. It is obvious from the table that huge percentage of the sample respondents reported that their group appraises its performance periodically (84 percent). On the other hand, 12 per cent of the respondents reported that they appraise performance of the group sometimes only, while 4 per cent of the respondents reported that they didn’t appraise. It is found from the field survey that government officials and NGOs are attending to the group meetings of the SHGs and are making enquires about the performance of the group.
### Table 1.5

Distribution of the Sample Respondents by periodical appraisal of the performance of the group

<table>
<thead>
<tr>
<th>Category</th>
<th>Periodical appraisal of the performance category of the group</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Tailoring Women</td>
<td>15 (55.60)</td>
<td>0</td>
</tr>
<tr>
<td>Grocery shop business women</td>
<td>24 (100.00)</td>
<td>0</td>
</tr>
<tr>
<td>Fancy shop business women</td>
<td>51 (94.40)</td>
<td>0</td>
</tr>
<tr>
<td>Clothes business women</td>
<td>45 (88.20)</td>
<td>0</td>
</tr>
<tr>
<td>Vegetable vending business women</td>
<td>21 (87.50)</td>
<td>0</td>
</tr>
<tr>
<td>Fish vending business women</td>
<td>6 (100.00)</td>
<td>0</td>
</tr>
<tr>
<td>Dairy business women</td>
<td>6 (100.00)</td>
<td>0</td>
</tr>
<tr>
<td>Petty business women</td>
<td>63 (77.80)</td>
<td>9 (11.10)</td>
</tr>
<tr>
<td>Tiffin stalls business women</td>
<td>21 (77.80)</td>
<td>3 (11.10)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>252 (84.00)</td>
<td>12 (4.00)</td>
</tr>
</tbody>
</table>

In conclusion, largest percentage of the sample respondents are carrying periodical appraisal of the performance of the group. However, a significant percentage of the sample tailoring women reported that they appraise the performance sometimes only.

1.6.7. Organizational Sustainability of SHGs:

For a SHG to run successfully on a continuous basis, it should be stable and financially viable. It is for this reason that SHGs generally should have members from similar socio-economic status so that there is no oneupmanship. They should also agree about savings and repayments. A number of SHGs are seen to break up because of lack of trust among members and want of co-ordination. Organizational sustainability be examined by observing the drop-out rates of the members and the reasons for such dropouts. It is interesting to note from the study that no drop out of a member is reported in the study area. Though there are conflicts among the group members sometimes, they are not permanent. May be these conflicts are of functional nature, but not personal. As a result, no member in the sample groups is dropped out. Group cohesiveness per se is observed in the present study. This shows the good organizational sustainability of the sample SHGs.

1.7. Findings:

- With regard to knowing rules and regulations to the members, it is found from the study that they know the five rules stipulated by the government, namely, weekly meetings, weekly savings, weekly small internal loans, weekly repayments and updating books of accounts regularly.

- Though they know these rules, it is found from the study that they are not following these rules. In other words, they are conducting meetings monthly, collecting savings monthly and making repayments monthly in spite of reiterated calls of the concerned officials.

- With regard to rotation of group leader, it is found from the present study that sample groups are changing their group leader for each new loan they received from the bank. Other than this, they are not following any rotation for the group leader. They stated that changing of group leader is a complex process. Though
they can easily change the Group Leader in the Grama Samaikya easily, they are facing serious problems in the bank to change the group leader. Hence, the sample groups are not resorting to changing group leader frequently on rotation basis.

- With regard to conflict management in the groups, it is evident from the study that Grama Samaikya (Village Organization) is involving in the conflicts of the group and resolving the problems in case leader is unable to solve the problems. It is found from the study that sample groups are not following any management approaches for conflict management. Further, the district level meetings organized by the concerned government officials are not giving any training to the group leaders to deal with the conflicts among the group members.

1.8. Conclusion:
Their management practices are found to be satisfactory. The situation varies from one category of income generating activity to another category of income generating activity. As a result of income generating activities taken up by women, family incomes had substantially increased. Full and regular participation is the key to the success of the SHG. All rules and regulations pertaining to the organisation and management of a SHG are framed in advance with a full consensus is very important for conducting of meetings. All members must speak during the meeting. All members should share ideas and understand all the issues that are being discussed. Strong members should encourage weaker members to participate. A record of the points discussed should be maintained. Each and every point discussed and on which a decision has been taken must be recorded and read out to the members for affirmation and confirmation that all rules and regualtions to be followed are clear to all.

References:
CHALLENGES AND OPPORTUNITIES FOR ENTREPRENEURSHIP OF SMALL SCALE INDUSTRIES IN THE GLOBAL SCENARIO

*Mr. V. Vijay Kumar
**Ms. Lavanya

Abstract

Globalization refers to the process of integration of the world into one huge market. It provides several things to several people with removal of all trade barriers among countries. Globalization happens through three channels: trade in goods and services, movement of capital and flow of finance. Globalization in India is generally taken to mean ‘integrating’ the economy of the country with the world economy. The real thrust to the globalization process was provided by the new economic policy introduced by the Government of India in July 1991 at the behest of the IMF and the World Bank. Globalization has led to an ‘Unequal Competition’- a competition between ‘giant MNC’s and dwarf Indian enterprises’. The small scale sector is a vital constituent of overall industrial sector of the country. The small scale sector forms a dominant part of Indian industry and contributing to a significant proportion of production, exports and employment. Therefore, the present study analyzes the impact of globalization on Indian Small Scale Industries. The main theme of the paper is to evaluate the performance of small scale industries (SSIs), and problems faced by small scale industries in recent period, with average annual growth rates, to know the impact of Globalization on the performance of SSI.

Keywords:- Globalization, Small Scale Industries, Exponential Growth, Production, No. of Units, Export and Employment.

Introduction

After India’s independence, our late Prime Minister Jawaharlal Nehru thought of industrialisation of the country. With the sole aim of utilising natural resources for production of iron and steel and creating jobs for lakhs of unemployed youth. In the Second Five Year Plan, emphasis was given on setting up small and medium enterprises. National Small Industries Corporation was set up in 1995 by the Ministry of Industry, Government of India with the aim and objective of growth of Small Scale Industries (SSI) Units.

In July 1991, the Government of India announced the New Industrial Policy at the instance of New Economic Policy to liberalize the economy and to market it effectively in the global context. Small scale Industries have made considerable contribution in the socio-economic development of our country. We need energetic entrepreneurs who can contribute effectively for national progress and prosperity. Across the world there is a growing realisation of the potential contribution of entrepreneurs for the achievement of economic expansion and improved living standards.

The basic objectives underlying the development of small and medium scale industries are the increase in the supply of manufactured goods, the promotion of capital formation, the development of indigenous entrepreneurial talents and skills and the creation of employment opportunities. In addition, they include such socio-economic goals as the decentralization and dispersal of manufacturing activities from the metropolitan to the non-metropolitan and rural areas, the reduction of regional economics imbalances within the country and the diffusion of entrepreneurial and managerial abilities and skills as well as of technology throughout the country.

Industrial policy:

As per the Industrial Policy statement of 1990, the capital Investment ceiling in plant and machinery for small scale industries has been raised from Rs. 35 lakh to Rs. 60 lakh and for ancillary units from Rs. 45 lakh to Rs. 75 lakh. Investment limit with respect to tiny units has been increased from Rs. 2 lakhs to Rs. 5 lakhs.

In 1997, as per the recommendation of Abid Hussain Committee, the Government of India further raised the investment limit to Rs. 3 crore for small scale industries and to Rs. 25 lakh for tiny units.

The Govt. of India, in its New policy initiatives for small scale industry announced in 1999-2000 the investment limit for small scale industry was reduced from Rs. 3 crore to Rs. 1 crore, and announced in 2003, the investment limit was raised from Rs. 1 crore to Rs. 3 crore.

With this upper limit, the village and small industries sector consists of (1) traditional industries, namely, handlooms, cottage and village industries, handicrafts, etc; and (2) modern small scale industries including tiny units and powerlooms. The traditional industries are generally artisan-based, located mostly in rural and semi-urban areas, involving lower levels of investment in machinery and provide largely part time employment Modern Small Scale Industries use mostly power-operated appliances and machinery and have some technological sophistication, and are generally located close to or in the urban areas, including the large industrial sectors.
Role of small scale industries:
The promotion of small industries has been regarded as an important element of the development strategy underlying our Five Year Plans. Small scale industries provide substantial scope for increasing employment as they are labour intensive and they require comparatively less capital. It can easily be set up in rural areas or in backward areas. They need relatively smaller markets to be economical and hence they have advantage in being set up as ancillary units. They stimulate the growth of entrepreneurship and promote a more decentralized pattern of ownership and location.

The most significant aspect of small industry development is that this sector has stipulated economic activity of a far reaching magnitude and has created a sense of confidence among a huge number of small entrepreneurs about their strength and vitality. The small industries have been growing during the last three decades on account of their significant role in attaining the major objectives mentioned below:

- Removal of economic backwardness of the rural and underdeveloped segments in the country.
- Attainment of self-reliance.
- Reduction of regional imbalance.
- Reduction in disparities in income, wealth and consumption standards.
- Facilitate mobilization of resources, capital and skills, and their optimum utilization.
- To create greater employment opportunities and raise levels of output, income and standard of living.
- To meet substantial part of the economy’s requirement of consumer goods.

Thus, for a developing country like India, the growth of small scale industries plays a vital role in overall development and progress. The small scale industry has emerged as the most dynamic sector of Indian industrial economy contributing about 55% of the total value of industrial production. It contributes 30% of the total country’s exports and more over provides employment opportunities to nearly 120 lakh people. Naturally, it has shown the growth spirit of entrepreneurship. A brief panoramic macro view of the small scale industry is covered in the following table.

### Performance of SSI / MSME Units, Employment, Investments and Gross Output

<table>
<thead>
<tr>
<th>S.NO</th>
<th>YEAR</th>
<th>TOTAL WORKING ENTERPRISE (IN LAKHS)</th>
<th>EMPLOYMENT (IN LAKHS)</th>
<th>MARKET VALUE OF FIXED ASSETS (IN CRORES)</th>
<th>GROSS OUTPUT (IN CRORE)</th>
</tr>
</thead>
</table>

![Growth and Performance of MSME Sector](image-url)
PROBLEMS OF SMALL SCALE INDUSTRIES IN INDIA

The growth and development of small sector units has been constrained by several factors including technological obsolescence, inadequate and irregular supply of raw materials, lack of organized marketing channels, imperfect knowledge of market conditions, unorganized nature of operations, inadequate availability of credit constraints of infrastructural facilities including power and deficient managerial and technical skills. There has been lack of effective co-operation among the various support organizations set up over the period for the promotion and development of these small scale industries, and quality consciousness has not been generated to the desired level.

There has not been much improvement in the utilization of idle capacities of the small scale units. It has been estimated that capacity utilization in different village and small industries has been ranging from 45 to 60%. The number of sick units in this sector has gone up and there are varying estimates regarding it. However, there is a general agreement about the seriousness of the problem.

The entrepreneurship Development Programme has not made significant progress except in a few states like Gujarat, in widening the entrepreneurial base. Low level of technology has continued to operate in the traditional industries sector. Shortage of critical raw materials, power, outdated machinery, lack of innovation and chronic labour problems are some of the major hindrances in their growth.

The Estimate committee (1965-66) of the Third Lok Sabha, stated that proper research had not been undertaken to ascertain the possibilities of introducing such programmes in particular, the suitability or otherwise of areas where such programmes are introduced, or industries which are reserved for the small scale sector. The committee further noted that a major reason for the failure of the common production programme was the unequal distribution of scarce raw materials.

STRATEGY FOR RAPID GROWTH OF SMALL SCALE INDUSTRIES

While the small scale industries sector has been playing a significant role in helping industrial development of the country during the course of the Five Year Plans, there are still a number of drawbacks both in respect of policies and programmes and also various bottlenecks hampering the rapid growth and development of this sector. The following steps should be taken to the performance of this sector.

1. **Marketing**

   Marketing is one of the crucial problems faced by the small units which mainly flow from their scale of operation, lack of standardization, inadequate marketing intelligence, competition, insufficient holding capacity etc. Measures taken to provide marketing support to small industries have covered only a small segment. The marketing strategy need to be oriented to meet the consumer need. This includes diversification of markets and product-mix, introduction of modern marketing techniques, better inventory control, exploring new markets, keeping the cost of marketing low, effective use of mass media for consumer education and marketing promotion.

2. **Policy Framework**

   The policies to be pursued during the 11th plan should aim at rationalization of fiscal measures to ensure the rapid growth of small industries. Infrastructural facilities should be strengthened at various levels. Adoption of modern management techniques should be encouraged. Development and dissemination of appropriate technology to improve productivity and quality and lessen the dependence on subsidies should be given due emphasis. Research and development efforts should be enhanced. Adequate infrastructures should be created in the less developed areas to attract small industries.
3. Ancillarization: Ancillarization has to be encouraged which would help in providing not only assured market for the small scale units but also other advantages. Timely payment for the parent unit for purchase from the small scale units is ensured through such mutually beneficial arrangement. The parent unit assists in the transfer of technology and arranges for supply of quality raw materials so that the end product shapes up to the requisite specification. Promotion of vendor-buyers structure of this nature needs to be followed vigorously. While importing foreign technology, the collaboration agreement should also include transfer of technology for ancillary items to the extent possible.

4. Credit Flow: The availability of institutional finance to this sector has not been commensurate with their need as well as in proportion to the volume of activity generated by the sector. The studies conducted have revealed that inadequate and delayed availability of bank finance has been one of the major reasons for sickness among small scale industries. There is a need for change in the attitude of the banker who should be guided more by viability of the project rather than viability of the entrepreneur. There is a need of providing concession to small scale industries in respect of finance. It would be desirable for the banking system to extend term loans in addition to working capital to small scale industries sector. Institutional credit and term finance should also assist the entry of small scale industries sector into sophisticated and urban export market technology. There is a need for modernization and up-gradation of technology with a view to reduce costs and prices and increase competitive power of the products of the sector.

5. Industrial Sickness: There is an increasing sickness among small scale units and this is likely to increase due to re-licensing of many industries and more liberal licensing policy in the private corporate sector. As a remedy for this sickness, modernization and up-gradation of technology in the sector are necessary and possible. This is the only answer to the problem of sickness in this sector.

6. Backward Area Development: It is observed that inspite of repeated emphasis on the development of the small scale industries sector in backward and hilly areas, a little progress has been made in this direction. For the successful implement of this programme, measures and massive efforts to provide infrastructural facilities like water, roads, transport, electricity, housing, postal and telephone service etc., need to be undertaken on a priority basis.

7. Incentives: In a rapidly changing environment where productivity efficiency, cost and price reduction and increasing competitive strength have all become essential for the rapid growth of small scale industries sector. It is recommended that all incentives and facilities should be made available to this sector right from the time they are established and such concession should continue for a period of at least the first five years and then they should be gradually reduced during the course of the next five years by which time the assisted units should be in a position to stand on their own feet and be in a position to complete in the open market successfully.

8. Basic Inputs: Inadequate and untimely supply of essential raw materials, credit and transport facilities are hurdles which are at present acting as constraints on the growth of small scale industry. This problem must be given serious attention. As far as credit from public financial institutions and commercial banks is concerned, credit flows from these institutions must be closely, carefully and continuously watched and monitored so that their is a regular and adequate flow of funds for this sector.

9. Role of Government: Government has introduced a wide range of policies and programmes to support the development of the small scale sector. An extensive institutional net work has been created, which includes assistance marketing through small industries development corporations of the states, provision of consultancy services, entrepreneurship training etc. Apart from the infrastructural support, Government has also pursued a policy of according protection and purchase preference to the small scale sector. The total number of items reserved for exclusive manufacture in the small scale sector was about 835 by the end of January, 1989.

10. Role of Agencies: Entrepreneurship and small business development is the major thrust area attracting top priority and full attention of the central and state government of the country through its various agencies like the Ministries and Directorates of Industry, Industrial Development Bank of India, District Industry Centers, National Small Industries Corporation and National Institute for Entrepreneurship and Small Business Development. These agencies prima facie provide the much needed encouragement and assistance in various possible ways not only to the engineer entrepreneurs but also to other individuals trying to set up their own enterprises for generating small business of their own and creating for themselves the opportunities for self-employment by providing services, consultancy, manufacture, marketing, exports etc.

11. Recent Trends in SSI Sector: The SSI Sector plays a big role in the total industrial output of the country. At the end of the 9th plan, the small scale sector accounted for 35% of the industrial output. With regard to exports, its share was 40%. It also provided employment nearly 1.2 crore people. This, however, does not mean that all is well with the small scale sector. The sickness in the sector has been assuming alarming proportions. More than 2 lakh units in the country are sick and about Rs. 2000 crore invested in there units mostly lent by the banks and financial institutions is lying dormant. The new policy is expected to fully exploit the potential of the sector and most importantly, ally to a certain extent the country’s perennial unemployment problem.
12. New Innovations: Under the new policy, small entrepreneurs and their units can now associate with big and medium units as equity partners. Big and medium industrial undertakings can now participate as equity partners to the extent of 24% of the total share holding market. This would apply to foreign companies as well. The equity taken by the large units would ensure availability of the much needed inputs for the SSI units like capital, technological upgradation and marketing support. Encouragement to foreign collaboration would also result in the flow of foreign investment and technology in SSI units.

Liberalization of the regulatory provisions relating to the management of private limited companies will enhance the supply of risk capital to the small scale sector. The problem of delayed payment has been seriously hampering the functioning of the SSI units. It has been envisaged to set up ‘factoring’ services through the small Industries Development Bank of India (SIDBI) to solve the problem of delayed payments. A network of such services would be set up throughout the country and operated through commercial banks.

A Technology Development cell is to be set up under the new policy in the small Industries Development Organisation. It would provide technology inputs to the SSI units to improve their productivity and competitiveness. This is a part of the bigger scheme of an integrated development of infrastructural development mentioned in the policy. The infrastructural development programme is to be implemented with the active participation of state governments and financial institutions.

Marketing is one area where the SSI sector has been lagging behind for a long time. The vast domestic market is dominated by the organized sector. The small scale sector will have to get its due share of such markets if it is to survive. The new policy has elaborated various measures for this. One such measure is the marketing of mass consumption items produced by SSI under a common brand name by the National Small Industries Corporation (NSIC).

The policy also assigns an important role to the industry associations in the new scheme for providing quality counseling and establishing common testing facilities to ensure standardized production by the small scale sector. Technology information centers should be established to provide updated knowledge on technology and markets. Financial support should also be provided for the modernization on a priority basis.

The basis of the success of entrepreneurship is good management and this becomes more relevant in the small scale sector where the entrepreneurs have to look after many functions including production, marketing, finance, personnel etc., at the same time. Lack of good management is one of the biggest handicaps of the Indian small scale sector. The need for training has rightly been stressed in the policy statement. Various entrepreneurship development programmes are being introduced by the government. The support being provided to first generation entrepreneurs will also be strengthened.

Entrepreneurship has both economic and behavioural connotations. An entrepreneur is one who is attempting to achieve economic self-sufficiency by being self-employed and by creating new organisations, institutions, technologies, products, services and so on. The entrepreneurship process consists of a constant search for alternatives a certain amount of risk taking, perseverance and attempts to identify and utilise opportunities for economic betterment.

Government industry and R & D. System will have to quickly adjust to the new international accord that is coming into force in the sensitive area of patents. We have to analyze the strengths and weaknesses of our industry, R & D system, technology base labour, financial policies and practices, and evolve a strategy which will enable us to face the challenges. This strategy has to be both defensive and offensive in character, and must have as one of its key objectives the emergence of our economy and industry as a world player.

Conclusion:

Most important of all is that the small scale industries sector must not look upon various concessions which it has been enjoying at present such as reservation for exclusive production in this sector, in excise and income tax, concessional loans, tax concessions and tax holidays as permanently available. In the final analysis, all the policies and programmes meant to bring about the growth of small scale industries would be said to have succeeded in their objectives, if they make this sector economically and technologically viable and see that they can successfully stand on their own feet without any concessions and support, and successfully complete in the open market, domestic and foreign.

The government has promoted a number of institutions to assist the accelerated growth of small scale industries from selection to marketing. As a result, the growth of small industries has been quite phenomenal. The Government has invested extensively in building infrastructure like industrial estates and provided electric power necessary for the promotion of industries in the small scale sector. The development of ancillaries has also added to a new dimension to the development of small scale industries. Apart from this, technical, financial, marketing assistance is also provided. The scale and scope of rapid growth has brought out a number of problems. The need of the hour is a pragmatic approach. Thus, in addition to attracting fresh entrepreneurial talents in the small scale, tiny
and village sectors, it is necessary to organize a package deal of assistance to the existing units. It is necessary to go through the process of development systematically, scientifically and in a planned manner. Integrated approach to the development of small scale industries holds the key to the rapid development of this sector on sound basis.

References:
SUSTAINABILITY AND HR

Abstract

If organizations continually seek to enhance their workforces’ skills in responding to the emerging demands of customers, investors and society as a whole - requirements that change with the ways that people live and work sustainability is the key. Sustainability has been subject of thought and reflection in the field of management for a long time. Only recently, however, does the link between Sustainability and HR issues seem to have received attention. The main goal of this paper is to understand the importance of sustenance for an organization and the role of human resource management.

Key Words: Sustainability, HR, Strategy, Development

Introduction

Sustainable development means different things to different people. But, at the fundamental nature, it is concerned with meeting the needs of people at present without compromising the ability of future generations to meet their own needs. Sustainable development therefore involves a (1) A broad view of social, environmental and economic outcomes; (2) A long-term perspective, concerned with the interests and rights of future generations as well as of people today; and finally (3) An inclusive approach to action, which recognises the need for all people;

Sustainability essentially, doing business without harming people or the planet can affect company culture and behavior in many ways, from recruiting and employee engagement initiatives to training, customer interactions and even the business brand and value propositions. Therefore, sustainability is emerging as a people issue and, as such, a human resource issue. But HR professionals may not be fully prepared to lead organizational sustainability efforts. From a business perspective, sustainability has been defined as a "company's ability to achieve its business goals and increase long-term shareholder value by integrating economic, environmental and social opportunities into its business strategies”

In every organisation there are persons who do not add much to the work, while many may be, in fact obstructing work being done by others as the modern work place is getting bigger and bigger due to expanding business opportunities. In such organisations a problem normally faced by managers is: How to deal with those who are not cooperating. There is no problem with those who give full cooperation to the manager in achieving the target/organizational objectives. But those who are in the habit of sharking work. More problematic are those who obstruct the process of work. This type of workers is the biggest headache for the manager because they not only do not work but do not let others work.

Handling such difficult employees becomes the most difficult task for the manager. The first impulse, normally, is to get rid of such persons but that is not the solution because what is the surety that the new employee will not be more difficult than this one. Moreover, there is a cost of hiring and training a new employee also involved. Therefore, a wise manager will always try his best to handle difficult employees by using some creative ideas. A successful manager is always able to handle such persons in a positive way and turns them into productive workers. Such managers become a valued asset to an organization and are sought after by other organisations.

“We want an organisation made up of inquisitive people, for we are seeking innovation, constant improvements in the way people do their jobs, in all areas of the business. Conduction business as usual does not belong in an inquisitive culture.” The 21st century business leaders have started recognizing the crucial role employees play in driving and delivering sustainable business strategy. Companies are integrating sustainability into corporate culture and fostering “sustainable development capabilities”.

But sustainable business strategy is incomplete without developing sustainable human resources. Sustainability means capacity to endure and it is not a movement but a necessity for an inclusive growth. The concept has become significant since 1980s. Sustainable development is development that meets the needs of the present without jeopardizing the ability of future generations to meet their own needs. But in a highly competitive global economy where the other factors of production—capital, technology, raw materials and information are increasingly able to be duplicated, the calibre of the people will be the only source of sustainable competitive advantage available to those organisations who have adopted strategies to identify potentialities of their employees. Therefore, attention must be paid to and resources must be ploughed into the management of global talent to take the business forward. To do this attention must be paid to several areas, in particular to maximise long-term retention and use of international cadre through career management so that the company can develop a top management team with global experience and to develop effective global management teams. Ensuring that the values of sustainable development permeate throughout the company usually starts at the CEO’s office. However, the best intentions are...
ROLE OF HR IN DEVELOPING SUSTAINABLE COMPETENCIES

HR managers have a challenging role in clarifying the required competencies necessary to deliver the company’s strategy, as well as to cope with changing competitive circumstances. Therefore every organisation’s success will depend on identifying the most effective means of building those competencies, whether through formal training programmes, mentoring, peer-to-peer learning, or involvement in community programmes. Amidst this variety of approaches to building employee skills, what then is the value of learning programmes on sustainable development? And who should be the target of such initiatives? With all the talk about the importance of sustainable environmental practices, who knew those same principles, could be applied to human resources. That’s just what Kim Glinsky, director of operations for career management services company Lee Hecht Harrison, contends, that one should follow “reduce, reuse, and recycle” elements as a handy mantra for trainers:

Reduceturnover through retention programs. “Organizations that have a problem with retention can reduce the costs associated with hiring and training new employees by thinking green,” says Glinsky. Determining the root cause of turnover, and implementing solutions that promote organic growth, will improve their workforce environment and prevent further decline.

Reuse talent through redeployment and career mobility. Identifying career paths not only promotes retention, it also demonstrates an employer’s willingness to invest in its workforce. Offering opportunities to develop individual talents promotes employee engagement while providing the organization with a renewable business resource, Glinsky points out “Leveraging transferable skills and harnessing the power of redeployment is another green strategy that organizations can implement to reduce hiring costs and increase morale.”

Recycle your workforce, using Boomers as mentors and part-time workers. "Taking advantage of potential retirees' knowledge, experience, and interest in part-time schedules can be a perfect mix for a company facing both employment shortages and a tight bottom line," says Glinsky. Implementing programs to help individuals nearing retirement age explore their options also will enhance an employer's ability to retain these workers and minimize exposure to talent shortages.

To meet such demands a HR professional need to design innovative techniques to identify and source talents, build up responsive training systems to develop requisite skills and to utilise and redeploy existing manpower in an efficient manner. Accessing untapped territories (mid-size towns, college students, and all that, to source talent, tie-ups with educational institutions to design curriculum required for developing the customised skills for the new sectors, new forms of engagements (part time working, project based contracts, and so on) to provide flexibility in employment terms, training systems for multi-skillling of workforce are some of the countless examples of the swiftness with which the HR professionals have innovated and improvised systems and processes to cope with the challenge of maintaining sustainable people development. Henceforth the role of HR in supporting sustainability is two-fold, (1) Sustainability must ensure that a sustainable approach to managing employees is a part of business strategy; (2) Sustainability must create culture in the organisation where each employee should imbibe the principles of sustainability in every action.

HR’s first role is to ensure that a company manages its employees in a sustainable way. The HR department of an organisation can attract creative and talented staffs by offering workplaces that are more participatory, have greater sensitivity to family issues, share more of the wealth, offer more fun, and encourage trust between management and employees. As employees are motivated by a complex mix of rewards, ranging from financial security and bonuses to promotion and peer recognition and from taking on new challenges to making a difference to the things they care about.

This broader vision of success requires new business tools, practices and relationships, while a HR manager need to understand the key to a improved team work and explain the key factor in leading to great job satisfaction. On the other hand one should analyse people’s willingness and loyalty potential, while facilitating in building a team spirit among the members of the team and increase the commitment towards the team. At the same time the organisation should also try to reduce complaints and increase the organisational strengths by instilling a sense of belongingness among employees. Being receptive to new ideas and suggestions opens the door to an array of business opportunities.
to facilitate sustainable business development. Sustainable business development is not likely to be the passing fad. People are finally waking up to the need for organisations that aims at sustainable people development besides monetary profit. So, the organisations should leverage staff relations, stake relations and peer relationships. There can be no sustainable business development without human development. The two go hand in hand, even as conditions change as expectations today are changing of every organisation, whether public and private, has to play an active role to meet the challenges of an ever shifting business paradigm with proactive solutions. Collective action on the part of government and non-government organisations will form DNA of sustainability.

Such an act need a paradigmatic shift in the strategy for tackling challenges pertaining to people, as they are the building blocks of any organisation as with new challenges appearing all the time. To address these challenges, there is a need to build a network of business experts to share experience and develop thought on successful sustainable business strategies. Such a network will build a bridge between sustainable professionals and those that deal with organizational development.

PLANNING FOR CHANGE

If organisations continually seek to enhance their workforces’ skills to respond to the emerging demands of customers, investors and society as a whole – requirements that change with the ways that people live and work. So what does sustainable development mean for HR managers? Several issues stand out. The strategy and tactics adopted must be achievable by the HR team within its budgetary constraints and the skills, experience and interests of its people. But, more than this, the HR strategy must respond to the wider environment in which the organisation is operating i.e. aligning with the company’s strategy, values and culture to identifying and responding to emerging societal trends and most important of them all in reflecting and inspiring the ambitions of the HR team and other employees as an act in responding to governmental and regulatory expectations, and influencing the public policy agenda.

Guidance for the sustainable development manager:

As the tone of sustainable development enters the business mainstream, the responsibility for managing social and environmental issues are slowly shifting from the corporate fringe to an important business function. Sustainable development specialists (and those with equivalent positions or responsibilities) are no longer just responsible for the management of philanthropic initiatives, community engagement programmes or environmental impact assessments. Instead, in leading companies, these managers are expected to act as agents of change: to develop the structures, systems, and ways of working and personal values that will support the organisation’s sustainable development objectives; and to encourage others in the company to act as enthusiastic agents of change. This functional briefing (and others in the series) clearly doesn’t provide a complete solution – this is the first step in developing a comprehensive business case for functional specialists. However, the briefings do provide a series of questions with which to trigger conversations across your company and influence its future direction. Building aligned and sustainable human resources may seem like a daunting task - it does not have to be. Take a few moments to answer the 5 “W”s”:

1. Where to start? The easiest place is with your organisation’s business plan, its Vision, Mission, Values. The next best place is to review the employee issues that regularly surface, or, seek your employees input about your current people practices and suggestions for improvement / where to start. Ultimately, the collective perception is reality.

2. Why bother? Aligning your organisation’s people practices with the rest of your business is critical for proper focus and effectiveness of employees to meet business goals. Without alignment you have silos, conflicting priorities, chaos.

3. What needs to be done? Sound basic HR practices are key to effective employment relationships and so powerful when applied well that most organisations don’t need anything else. Neither complicated nor expensive, they include:

   - Written employment policies: “Game Rules” that address both employee and employer expectations
   - Clear compensation and benefits practices: promote fairness, meet basic employee needs.
   - Proper recruitment processes: get the right person for your organization correctly.
   - Performance management: clarity of role, expectations, measurements to support your organisation’s goals.
   - Trained people managers: “People quit their bosses not their jobs”.
   - Communication: ensures the success of HR practices.
4. **Who should undertake this?** A senior leader must champion the establishment of a proper HR infrastructure and ensure its proper implementation. Somebody with HR expertise should develop the people practices, working closely with the champion, so that the structure is built correctly the 1st time. You wouldn’t ask an accountant to do plumbing so why have unqualified people design the people practices that affect the engine of your business: your employees.

5. **When should this be done?** If you have been operational for several years and have not started to shape the HR infrastructure for your organisation then NOW is the right time to start, even with a small step. Once you begin, however, employees will expect results. Your credibility and employee morale suffer greatly when commitments are unfulfilled, reinforcing the already unspoken message that the employees are not important.

6. **How should we proceed?** As with the principle that one must learn to walk before running, starting with the basics is the smartest way to proceed. Identify “what is” versus “what should be” and develop a plan and timeline on how to bridge the gaps starting with a basic foundation. It is easier to build upon a basic foundation as your organisation evolves than to “tear down” people practices that are too cumbersome.

**Conclusion:**

“Key objective for the future is to motivate employees. It will be necessary to find synergies with everything else going on in the company.” *Ashridge /WBCSD survey*. In order to match the standards of changing global scenarios, HR functions are leveraging everything: the business process, the company data, the talents of their people and the available workforce management practices. Whether it is related to providing a quicker response time to meet changing business needs, extending online communications among the employees, business partners or customers or strengthening compliance with changing legislation, HR function is stepping up to add value in every aspect of the business.

For the large and mid-sized organizations that want to utilize business intelligence are adopting alternative methods to move away from purely tactical and administrative tasks and related modes of work. HRO: payroll outsourcing, recruitment process outsourcing, and training outsourcing provides robust and flexible solutions. Initially HR outsourcing was limited to certain discrete services, such as payroll outsourcing or benefit administration and recruitment process outsourcing. However, today companies have started engaging highly specialized HRO services spamming across virtually every HR activity.

Following the suit, companies are able to obtain access to higher levels of expertise than those available in-house as well as reduce their costs. Companies are adapting selective approaches while choosing to utilize in-house and outsourced options, depending on what suits the most for their organization.

The traditional functions of HRM now need to be strategically directed towards developing and sustaining organizational capabilities, through activities that overlap with traditional business functions such as finance, marketing, and non-traditional activities, such as knowledge management. Human Resource Information System has great significance in every sector. It can play a virtual role and help the communications process in the organization.

Most importantly, organizations can hire and retain the top performers, improve productivity and enhance job satisfaction of the employees. HRM has the responsibility to maximize efficiency and profit, but in the emerging scenario, the role of HR manager is changing rapidly due to changes in government policies, unions, labour legislations and technology. The trends have taken place in the organization, human resource planning, job design, and motivation, recruitment, and skill development and employee relations. The challenges can be faced by HRM effectively, if proper strategies are implemented. Hence, the role of HRM will be more significant in future due to the emerging scenario. The role of the Human Resource Manager is evolving with the change in competitive market environment and the realization that Human Resource Management must play a more strategic role in the success of an organization. Organizations that do not put their emphasis on attracting and retaining talents may find themselves in dire consequences, as their competitors may be outplaying them in the strategic employment of their human resources.

With the increase in competition, locally or globally, organizations must become more adaptable, resilient, agile, and customer-focused to succeed. And within this change in environment, the HR professional has to evolve to become a strategic partner, an employee sponsor or advocate, and a change mentor within the organization. In order to succeed, HR must be a business driven function with a thorough understanding of the organization’s big picture and be able to influence key decisions and policies. In general, the focus of today’s HR Manager is on strategic personnel retention and talents development. HR professionals will be coaches, counselors, mentors, and succession planners to help motivate organization’s members and their loyalty. The HR manager will also promote and fight for values, ethics, beliefs, and spirituality within their organizations, especially in the management of workplace diversity.
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11. Publications on website:
ROLE OF TOTAL QUALITY MANAGEMENT IN SUSTAINABLE DEVELOPMENT OF ORGANIZATIONS

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Abstract

In a dynamic economic environment the companies have to focus themselves on the achievement of sustained success, which includes the satisfaction of all the interested parties’ requirements and expectations. We think that to achieve these objectives and to have a sustainable development, every organization must implement a complex management which combines the Total Quality Management and Strategic Management principles and, in this paper we are introducing the conceptual model.

Keywords: Sustainability; quality; total quality management; excellence; strategy.

Introduction

Economic changes that occurred in the economic environment over the last two decades determine the need for a new management orientation of the economic organizations: orientation towards the sustainable development. Sustainable development takes into consideration the fact that economic efficiency depends on many variables, from the legislative and technological to socio-cultural. By following the sustainable development, to achieve the organizational goals, it is necessary for management to act taking into account not only to obtain profit but also the environment and society. Thus, to ensure long term profitability, the management attention should be directed in addition to profit, to respect the legislation on social and environmental protection towards the responsibility for corporate accountability. For shaping the perspectives of organizational sustainability, management should be proactive by anticipating the changes that will occur on stakeholder’s needs, finding the necessary sources and driving towards the established goals. To implement and make the necessary changes, it is important for each and every employee to know and to understand better the work they perform, thus, being able to adapt to changes within the organization. Given the fact that the development at technical, organizational, geographical, cultural and temporal level determines the change in the number of elements and features of the production system, the management of a sustainable production system must meet the design of a more complex work, which takes into consideration the following: Compliance with the environmental legislation; The quality of products or services - the customers’ needs; Increased productivity the needs of investors; Satisfaction, wellbeing and content of employees the social needs. The necessity of adopting the orientation towards a sustainable development by the economic organizations is demonstrated by the appearance of some new versions of international documents for example, ISO standards as well as by changes in the conception of some bodies operating at European level - for example, European Foundation for Quality Management (EFQM). Specifically, there were major changes in the new ISO 9004 standard and in the new EFQM excellence model in 2010.

TQM and SUSTAINABLE DEVELOPMENT

The argument that supports this idea is that, in essence, based on the recommendations of ISO 9004:2009, a quality management system developed on the basis of the strategic management concepts results. Among the recommendations of ISO 9004 standard to be met in order to achieve the sustainable success, we can exemplify the following:

1. Identify all the stakeholders and their requirements and expectations;
2. Determine the results that the organization would have to get to achieve the long-term satisfaction of stakeholders;
3. Anticipate resources, including skills and technologies necessary to achieve the objectives;
4. Decision making on organizational changes necessary to ensure a proper framework for the deployment of operating processes;
5. Establishment of the organizational objectives taking into account both the requirements and expectations of stakeholders and the monitoring and evaluation results of the external environment of the organization and its strategic capability assessment;

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6. Development and implementation of processes for continuous improvement, including benchmarking studies, learning and innovation;


Although I have mentioned only briefly the main recommendations of ISO 9004:2009, from the presented ones, it results that the quality management system for the sustainable success of an organization must ensure processes of objectives, strategies, monitoring the external environment, feed-back necessary for continuous improvement as in Figure 1:

- establishing the objectives and strategies necessary to meet the stakeholders’ requirements;
- monitoring the external environment and also the capability of the organization;
- providing the feedback required for continuous improvement, innovation and the identification of the necessary organizational changes.

Figure 1: Processes of the management system for a sustainable success

Therefore, the strategic elements within quality are outlined, which gives a prospective and projective thinking that is specific to modern organizations oriented towards a sustainable development in an extremely dynamic, complex and hostile environment. The sustainable success of an organization is achieved by its capability to meet the needs and expectations of customers and other stakeholders, equally and on long term. Sustainable success can be achieved by an effective management of the organization, by an environmental awareness of the organization, by learning and applying appropriate improvements, innovations, or both of them.

ELABORATING A CONCEPTUAL MODEL FOR THE MANAGEMENT SYSTEM OF THE ORGANIZATIONS

Achieving sustainable results necessary for the organization to meet the requirements of all stakeholders, certainly involves its long-term development and even the accomplishment of the stage of excellence. The achievement of the sustainable success by accomplishing the stage of excellence as a result of orienting towards the “total quality” is possible by implementing a complex system of management processes. A management system, which allows both coordination and the achievement of a synergy among the implemented processes, is necessary. Each component of the model is an essential category of management processes that are important in connection with all other components of the model.

The conceptual model of this management system is presented in the following figure:
Each component of the model is an essential category of management processes that are important in connection with all other components of the model.

By monitoring the internal processes, the evolution of their results is controlled, which reflects the assumptions to achieve the long-term objectives of the organization. For this purpose, it is necessary to monitor some groups of key indicators: “balanced scorecard”.

According to the results of the obtained information analysis by monitoring, top-management must make decisions regarding:

- Maintain or change policy and / or strategies;
- Need to carry out some organizational changes;
- Need to reconsider decisions related to resources;
- Need to develop and implement some improvement processes.
- For the implementation of some organizational or competitive strategies the following are necessary:
  - The improvement of the managerial and operational processes;
  - The innovation of the operating processes;
  - The improvement of the monitoring process in terms of the directions to which the research of the external environment is oriented or of the methods used for internal monitoring;
  - The reconsideration of indicators and / or frequency to achieve the self-assessment of the organization.

As shown in the presented examples related to the connections between the groups of managerial processes, the proposed model highlights the need to develop and implement a management system which ensures long-term results in the department of the organization, to meet the stakeholders’ requirements. It is therefore required a system that, based on the principles of Total Quality Management (TQM), guides the organization management to adopt the decisions which are necessary in a strategic management process.

**Conclusion:**

Low-quality scans are not acceptable. Figures must be embedded into the text and not supplied separately. This paper has presented some of the management processes specific to the model of sustainable development and the interferences between them and pursued the need for a complex management system based on TQM principles that favours excellence in the sustainable development approach. The conceptual model presented, based on the four components, is mainly the result of TQM development using the principles and processes specific to the strategic management. In the knowledge-based society, the sustainable organization is an always learning organization that...
constantly adapts to environmental changes, which adopts a modern leadership and tends to be a priority for present and future.

References
Wisdom management: Tensions Between Theory and Practice in Practice

*Dr Syed Siraz

Introduction
Wisdom is a little discussed and poorly understood human faculty in the dominant discourse that pervades today’s management practices (Brague 2003; McKenna et al. 2000). Modern managerial discourse is very much a product of a dominant discourse characterised by the ideologies of neo-liberalism, including rational managerialism, and of positivist science incorporating methodological reductionism. We call this technocratic discourse (McKenna et al. 2000), and argue that it privileges rational scientific method and technical knowledge in managerial problem-solving. It is not surprising that managing and utilizing knowledge has been theorised largely within this hegemonic technocratic discourse.

Nonetheless, it is true that subjective and imaginative or transcendent mental processes, which we argue are critical to managerial wisdom and success, do occur in management theory and practice. It is also true that there is a considerable body of research in the sociology of science that demonstrates the importance and unavoidability of these ‘other’ forms of intellect in the practice of innovative science (Kuhn 1970). Why is it, then, that wisdom, the highest form of knowing, is not accorded the same status as rational, objective knowledge in management science? Although not expressly referring to these ideological and discursive features of contemporary managerial discourse, management theorists such as Mintzberg (2000) and Srivastva et al (1998) have criticised the lack of wisdom-based theory and practice in contemporary orthodox management. Nonetheless, a small number of management researchers have attempted to build questions about wisdom into their research on, for example, management practices and organisational learning (cf. Bierly et al. 2000; Galvin 1996).

Given this marginalised position for wisdom in management theory and practice, it was significant that a management report entitled The Getting and Keeping of Wisdom: Inter-Generational Knowledge Transfer in a Changing Public Service (Hammer 2002) was written for the Canadian Public Service. This document was selected for analysis because it is the only such document we know of that is explicitly concerned with wisdom management in a large organisation. We evaluate its content according to a set of wisdom principles and by computer-assisted text analysis. To do this we firstly outline how these principles were derived from research into the psychology of wisdom (Baltes et al. 2003; Baltes et al. 1990; Baltes et al. 2000b; Baltes et al. 1995; Staudinger et al. 1997; Sternberg 1990a; Sternberg 1990b), and a philosophical survey of the Aristotelian practical wisdom tradition (McKenna 2005; Rooney et al. 2005a; Rooney et al. forthcoming; Rooney et al. 2004). To quickly summarise, let us simply say that wisdom is that which: coordinates knowledge and judgments about the “fundamental pragmatics of life” around such properties as: (1) strategies and goals involving the conduct and meaning of life; (2) limits of knowledge and uncertainties of the world; (3) excellence of judgment and advice; (4) knowledge with extraordinary scope, depth, and balance; (5) search for a perfect synergy of mind and character; and (6) balancing the good or well-being of oneself and that of others (Baltes & Staudinger, 2000, p. 132). Such a characterisation, then, implies that wisdom includes both rational (scientific) intellectual practices and ‘other’ more transcendent and unscrutinizable (tacit) mental processes like imagination, intuition, creativity and so on. Fundamental to our theorisation of wisdom is a commitment to ethical behaviour, consistent with its Aristotelian (secular) and Thomistic (religious) European origins.

Wise or unwise management theory and practice can be understood as a function of discourse. From a discourse perspective we assert that wisdom is subordinate to and often absent from the dominant managerial discourse that is rational, economistic and technocratic (this incorporates its ideological dimension). This is not surprising as managerialist discourse does not easily accommodate the transcendent (imaginative, creative and intersubjective) and humane (ethical) defining components of wisdom. Such an incapacity is significant for two reasons. Firstly, as discourse shapes the assumptions and other beliefs that are valorised, marginalised, or occluded in organisational life, the degree of its discursive presence would indicate the level of its practice (Mumby et al. 1997; Oswick et al. 1997; Taylor et al. 2000, p.96) because discourse is “constitutive of socio-organizational practice” (Reed 1998, p.195). Secondly, from the knowledge perspective, the degree to which wisdom is incorporated in a theory of organisational knowledge will indicate the completeness of such a theory in understanding the logic of knowledge-related processes in organizations, and the links between these processes and power (see, for example, Heracleous 2001) and values.
These issues of knowledge, power, and values implicit in the discourse-based concept of wisdom are explored in the Canadian Government’s report (TGKW), which we consider as a discursive artefact. This report is discursively evaluated using as criteria principles of wisdom derived from psychology and philosophy. In particular, we wish to determine the extent to which the document is able to resist the limiting isomorphic tendencies of the dominant discourse.

Prior to that analysis, however, we make two observations: the first concerns the circumstances of the document’s production, the second is the interdiscursive adoption of technocratic language within the document. The first issue is simply to note that the context of the document’s production, namely the drain of senior management from the public service because of a work ethic to which they are expected to “psychically accommodate” (Casey 1999, p. 164) . However, this heavy workload expectation is contradictory to these public servants’ desire to enhance their quality of life, including life-work balance (stated in Section 3.3). Thus the work-life imbalance is taken as a given. Yet “balance” is a crucial part of wisdom. Sternberg (1998), for example, argues that management is wise to the extent that it uses a blend of intelligence, creativity, experience, and virtue to achieve a common good through balancing intrapersonal, interpersonal, and extrapersonal organizational / institutional / spiritual interests over both the short and long terms.

The second concern is the potential reification of wisdom into a commodity that can be unproblematically objectified and “transferred” (cf. Graham and Rooney 2001), rather than as a complex and fluid set of socially (re)constructed values, practices, and cognitions that infuse the dynamics and interpersonal relations of an organisation. Such a problem is inherent in a technocratic discourse that speaks of “human capital” and “knowledge management” because such noun-phrases draw interdiscursively on particular economic and managerial discourses that each carry their own privileged values and taken-for-granted assumptions about what is preferable, valuable and feasible. More specifically, we mean that a discourse that represents human beings as “human capital” is explicitly anti-humanist because humans are factored into equations and calculations in the same manner as physical capital: it is therefore contrary to the fundamental humanity of wisdom. Now, while this technocratic terminology may be useful in actuarially identifying potential shortages of experienced people (the impetus for the report), clearly it can also be used in technocratically rational ways to justify, for example, laying off staff to impress financial markets. Thus, in taking a wisdom approach one needs to be mindful not to carry the somewhat anti-humanist discursive assumptions that come with the kind of noun-phrase identified here.

This empirical paper provides a rare opportunity to analyse an organisational document that explicitly seeks to enhance organisational wisdom. Moreover, we point out that the report does not seek to construct wisdom management from a knowledge management systems (or technology) based perspective. Rather, it seeks to describe a non-technological, Human Resource Management (HRM) approach to wisdom management.

METHOD

Our analysis is in two parts. In the first part, we use computer-assisted text analysis of our data to discover, using a corpus-based approach, the dominant concepts of the document and how they relate to each other. In the second part, we evaluate the concept of wisdom in terms of nine characteristics of wisdom that we have devised.

Computer Assisted Text Analysis

The data analysed in this study come from the document, The Getting and Keeping of Wisdom: inter-Generational Knowledge Transfer in a Changing Public Service (Hammer 2002), which assesses the possibility and benefits of introducing wisdom management into the Canadian Public Service. The corpus was analysed using Leximancer, which is a computer assisted text (content) analysis application that employs a machine-learning technique. The machine-learning process learns in a grounded fashion what the main concepts in a corpus are and how they relate to each other. Content analysis can be done as either conceptual (thematic) analysis or relational (semantic) analysis. Leximancer does both, identifying concepts in the corpus and how they interrelate. In identifying concepts and showing how they interrelate, Leximancer uses word frequency and co-occurrence counts as its basic data. Leximancer builds its analysis by using the frequency data and data about the co-occurrence of concepts to produce a concept co-occurrence matrix. Once a concept has been identified, Leximancer then builds a thesaurus of words that are closely related to the concept, thus giving the concept its semantic or definitional content.

A picture of the relational (semantic context) characteristics of the concepts is created in two important ways. First, data is created relating to the direct co-occurrence of concepts. Direct links between concepts are measured establishing the strength of relations between concepts. The more times a concept occurs directly with another, the stronger the relationship. Second, a more complex picture emerges when data about what is semantically related to a concept is related to other concepts and their co-occurring words. Thus Leximancer can compare a concepts’ thesaurus with other concepts’ thesauri. In this way, indirect links between concepts are accounted for, meaning that a significant semantic relationship can exist between concepts even when there are only indirect
relationships between them. Overall, then, Leximancer rank-orders concepts, and tells the investigator about the strength of association and semantic similarity between concepts.

Finally, Leximancer stochastically calculates a map of the concepts in the corpus. This visualisation technique enables the investigator to see, in a global representation, what are the important concepts in the corpus and relationships between these concepts. Hence, concepts that are directly related but that are not necessarily strongly semantically linked can be far apart on the concept map while concepts that are strongly semantically related will be close to each other on the concept map. Therefore, concepts that occur in very similar semantic contexts tend to form clusters. The map is then used by the investigator to present an overall representation of the corpus and to guide interpretation.

The investigator can also ‘drill’ down through a concept, into its thesaurus of words, and then directly into the chunks of text where those concepts and words are found. This allows the investigator to easily interrogate the text and interpret it in light of his or her own reading of the corpus and to apply various linguistic analytical techniques such as lexico-grammatical analysis.

An important feature of this kind of analysis is its reliability. Leximancer addresses reliability in two ways: stability and reproducibility. Stability in Leximancer is equivalent to intercoder reliability. That is, the automated and deterministic machine-learning phase will be highly consistent no matter how many times a corpus is processed and reprocessed (coded and recoded) by the application. It can therefore be said that Leximancer has a high level of coding stability. Leximancer’s reproducibility is seen in its consistency in classifying text given the same coding scheme. Consistent classifying manifests in a consistently constructed stochastic concept map. In other words, if the map is calculated and recalculated a number of times the researcher can inspect each new map for its consistency with previous maps. If maps are dissimilar the researcher can alter any of the computational criteria being applied to the corpus in an endeavour to make the map consistently reproducible. Leximancer produced highly stable maps for this study.

Criterion-based Evaluation of Wisdom

This part of the analysis evaluates the document’s approach to wisdom in terms of nine principles of practical wisdom. This is a reflexive approach similar to that found in grounded theory and action research processes. In this case our own defining characteristics of wisdom as well as the working definition of wisdom in the document are tested relative to each other (cf. Glaser et al. 1967; McNiff 2000; Strauss et al. 1990).

Leximancer Analysis

Figure 1 maps the most important themes (areas within the circles) and concepts (words on the map). There are four major themes in the text, (1) retirement, (2) senior, (3) organization, and (4) Public Service (Ps).
Taking each theme in turn we see that retirement [the Western circle] covers a semantic terrain that links concepts such as age, years, pension, leaving, and older. Clearly the concern is that older workers are leaving the public service. Why this is a problem is demonstrated in the Senior theme’s [the Eastern circle] conceptual terrain. Here concepts such as leadership, experience, wisdom, and public are in the forefront. These concepts are in the forefront because the departure of older and senior public servants to (early) retirement is draining the service of good leaders who have the wisdom, knowledge and experience with which to guide and supervise the bureaucracy. The effects of this are made evident in the organization and public service themes where we see that mentoring, experience, and effectiveness capacities are being lessened by retirement, with the effect that being of service to the public is compromised. This interpretation is supported by the rank ordered list of concepts in the text (Appendix)  

**Functional and Non-Functional Values**

We now more closely analyse some of the key concepts shown on the map and explore examples of text where concept co-occurrences can highlight how the documents author situates wisdom within managerial concerns to characterise the rhetorical moves employed to make his case. Concept co-occurrences selected for this purpose are all identified by Leximancer as important and address a range of managerial concerns. The concept co-occurrences we use are Senior and Public; Wisdom and Knowledge; Wisdom and Organization; Wisdom and Projects; Wisdom and Time; Wisdom and Roles; and Wisdom and Context. Our following discourse analysis focuses on an examination of the causes for the concern in the Canadian Public Service about the wisdom drain and which have created the imperative for adopting wisdom management. In doing this we highlight that these concerns are linked to a set of functionalist (and instrumental) imperatives that are suggestive of technocratic values.

We now textually analyse 21 excerpts that occur in seven separate conceptual co-occurrences. We firstly provide the 21 excerpts with highlighted words and phrases (Table 1). These highlighted words are then classified according to whether they are functional / instrumental or not. Overwhelmingly, the excerpts identify wisdom in a functional or instrumental way.

<table>
<thead>
<tr>
<th>Senior and Public</th>
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<tbody>
<tr>
<td>1. It [the paper] further introduces the notion of wisdom as an important characteristic of seasoned and strategic leaders and a corporate resource that can be fostered, retained and disseminated, as well as lost to departures.</td>
</tr>
<tr>
<td>2. Changes in who is available, willing, and suitably qualified are set against the backdrop of historical and legal/regulatory changes in what is expected of the public service and public servants in roles of responsibility and public accountability.</td>
</tr>
<tr>
<td>3. Such expectations exist on the part of both the political leadership and the public it serves. There is an increasing need for leaders and decision-makers in the public service to function in a values-based way.</td>
</tr>
<tr>
<td>4. Addressing these three issues effectively requires identifying what the drivers of departure and retention in senior public servants are, identifying what it is about these individuals (or at least about some of them) that provides added value to the PS at this time, and how we could go about retaining and spreading what it is that we value about them.</td>
</tr>
<tr>
<td>5. As Kieran (2001) has noted, relative to their non-public sector age-mates, public servants typically have the types of pension packages which facilitate their earlier departure, increasing the need by the public sector to fill upper level positions, compared to the private sector.</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Wisdom and Knowledge</th>
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<tbody>
<tr>
<td>6. Both empirical research, and the philosophical and religious literature, identify the wise individual as someone who knows a lot, prefers to view problems from a broader long-term perspective, sees things in context, is flexible in adopting multiple perspectives of multiple stakeholders, recognizes the uncertainty of life and limits of their knowledge, and is prepared to be tentative or flexible in the kinds of solutions they offer, without being narrow in focus or unprepared for eventualities (Baltes &amp; Staudinger, 2000). Part of this is not very different from what is normally meant by “intelligent” or knowledgeable, something easily identifiable at any age and easily selected for by traditional means. The distinguishing aspects are how wise individuals frame and solve problems.</td>
</tr>
<tr>
<td>7. One would expect wisdom to increase with age, given both the traditional association with age, and the role of accrued world knowledge and experience. On the other hand, as a trait related to stable personality traits, wisdom should remain fairly stable across age and would not be expected to occur or accrue simply because of age. Research supports both views.</td>
</tr>
<tr>
<td>8. &quot;Knowledge&quot; is viewed as having a loftier status than &quot;information&quot; insomuch as it incorporates evaluative</td>
</tr>
</tbody>
</table>
and connective processes which help to form plans rather than just fill in the gaps in details of plans already formed. Though such knowledge is important, organizations also accumulate perspectives, values, missions, and a history, all occurring within a shifting context. Boal and Hooijberg (2001) argue that as the economic, demographic, legal, and cultural contexts within which organizations operate change, the capacity to know enough about the organization, its stakeholders, and its contexts, is paramount in leaders being able to make effective, appropriate, and timely decisions.

What assists leaders, then, is not so much access to the documented history or procedures of the organization (though these matter), but a deeper and broader knowledge of the how and why all of these things are linked. The business of an organization can be facilitated by knowledge management, but the leadership of the organization requires a higher order of knowledge acquisition and transfer, wherein the values, perspectives, ethics, and dialectics from different parts of the organization and external stakeholders are readily available to decision makers - what one might term wisdom management.

Wisdom and Organisation

In most of these views of leadership, wisdom plays a role in effective strategic decision-making, and in interpersonal processes crucial to effective leadership. Korac-Kakabadse, et al. (2001) propose that wisdom informs the visioning required of leaders, the use and content of dialogue, and the maintenance of the psychological contract between leaders and followers. Jacques and Clement (1991) see the perspective-taking capacity of wisdom as enhancing the strategic thinking capabilities of executives, and their capacity to anticipate reactions of others.

Kuhnert (2001) echoes this view, suggesting that the contemporary transformational leader must be able convey values to others in the organization, and appeal to their values to motivate organizational change and direction. Leaders must also be open to learning and admitting that they don’t know everything. Pfeffer (2001) identifies such an “attitude of wisdom” as essential to a learning organization.

Kilburg (2000) views productive interactions between managers and others as depending upon the self-restraint, personal and interpersonal insight which wisdom provides. All of these dimensions - strategic thinking and reasoning, visioning and being able to take the long view, being able to effectively dialogue with others and engage them, and effective self-management - are viewed as part and parcel of what wisdom means in the managerial or leader context.

What does an organization that strives to retain and spread wisdom among its leaders stand to gain? Integrating both the psychological and leadership literature, one would anticipate that the wiser leader is one that, among other things: can provide useful advice about a variety of matters, perhaps framing a problem or issue so that others think about it more cooperatively or productively; acts prudently, clearly distinguishes between long-range goals, and the processes used to attain them, and can be trusted to act in the best interests of the organization, despite personal feelings; can think in terms of the broader context that the organization operates in; deals with people well, readily earns their trust, and can develop and mentor staff; values and taps their organizational experience, but is open to new ideas and perspectives, whether coming from colleagues or other stakeholders.

Wisdom and Projects

The practical problem that accompanies this is not only how to do it quickly but how to do it in a way that avoids bitterness or competition. How do we manage and retain the insights of senior public servants after they retire?

Facilitating mentoring may well imply job redesign and time specifically allocated for such activities, on the part of both senior mentors and developing leaders, conceivably built into performance agreements. Mentor-mentee relationships need not be confined exclusively to a kind of confidante interaction. Given that the wisdom is in the information seeking and weighting of priorities in the doing itself, co-leadership of projects is also a useful way of acquiring the thought processes and perspectives of wise leaders.

Wisdom and Time

A broader time frame for whoever is doing the transfer also permits them to become invested in the role and develop a style that works for them. How do we get the organizational culture to value wisdom more?

The perceived value of managerial wisdom in PS decision-making, and especially acquiring it, will depend on how much time (and by extension importance) is perceived to be allocated to it.

Allocating time for soon-to-depart staff to transfer what they know to incoming replacements is also difficult, whether because the departing individual has too much to attend to before leaving an already understaffed unit or because their replacement will not be in place to benefit from any overlap. Making it important requires providing a framework that permits the individual leader to make it important.

It is not simply the potential loss of executive and corporate wisdom that is of concern, but the imminent
need for more of it at a time when it may be in shorter supply. ... It also involves going out in search of wisdom when recruiting or selecting for promotion, and in providing productive opportunities for managerial and leadership wisdom to flourish on its own, whether in place or on assignment.

### Wisdom and Roles

20. If knowledge transfer is a high priority, then earlier identification is preferred, so as to make optimum use of such individuals as a resource. Earlier identification also potentiates greater personal investment in the role prior to actual retirement (i.e., no "lame duck" roles), and enhanced possibilities for re-attracting such individuals following departure.

### Wisdom and Context

21. Olfshski and Cutchin (2001) describe what they refer to as "tailored programs" as a way to facilitate higher-order leadership skills.

Given that the document addresses a practical problem, namely how to retain their senior public servants' expertise, it is, of course, likely to be oriented in a functional way. However, of significance here is how wise leaders are understood in a public service context and what inherent concept of wisdom is implied in the suggested solution. Outlined below is a brief textual analysis of the twenty-one excerpts. The analysis comprises a search for discursive markers, which may be literal or metaphorical (Grant et al. 1996). By discursive markers we mean the usual discourse from which certain words or phrases are drawn. [Bolded words are discursive markers. The bracket indicates the excerpt from which the reference is taken].

Wise leaders are seen as “a corporate resource” [1]. Given this economistic metaphor, the author unsurprisingly asks what stand[s] to gain [13] from retaining and spreading wisdom among its leaders. The need for wise leadership arises within the contextual “backdrop of historical and legal/regulatory changes ... in roles of responsibility and public accountability.” [2] In other words, the public service is legally obliged to be publicly accountable (although this has always been the case in a Westminster system, it appears that this has been rediscovered and renamed, e.g. “transparency”, “open government”). At a time when significant numbers of experienced public servants are retiring (early) there is an “imminent need for more [wisdom] ... at a time when it may be in shorter supply” [19], which maintains the economistic discourse. This discourse is further developed by the claim that wisdom “provides added value to the PS” [4]. This would appear to be because applied wisdom is needed primarily to

Plan: “evaluative and connective processes which help to form plans” [8]

Decide: “being able to make effective, appropriate, and timely decisions” [8]

Be Strategic: “wisdom plays a role in effective strategic decision-making” [10]; the perspective-taking capacity of wisdom as enhancing the strategic thinking capabilities of executives [10]; “their capacity to anticipate reactions of others.” [10].

Wisdom in senior public servants is clearly based on their knowledge: organizations also accumulate perspectives, values, missions, and a history, all occurring within a shifting context. [As organizations change] the capacity to know enough about the organization, its stakeholders, and its contexts[8], is paramount in leaders

Knowing the documented history or procedures of the organization is seen to be inadequate because there is a need to “access ... a deeper and broader knowledge of the how and why all of these things are linked.” [9] Wise leaders require “a higher order of knowledge acquisition and transfer.” [9] In a Learning Organisation, however, wise managers “must also be open to learning and admitting that they don't know everything” [11].

However, moving outside the realm of knowledge and cognition, we are told that wise leaders are able to enhance “interpersonal processes” [10]; effectively communicate (“use and content of dialogue”); and maintain the “psychological contract between leaders and followers” [10]. Wise leaders in their relations with subordinates display “self-restraint, personal and interpersonal insight” [11].

Although, wise managers are assumed to have high personal values, they appear to be only in the context of organizational transformation:

“the contemporary transformational leader must be able convey values to others in the organization” [11];

“and appeal to their values to motivate organizational change and direction.” [11]
Gathering and retaining wisdom in the public service is represented primarily as an exercise in organisational HRM because wise traits are “easily identifiable at any age and easily selected for by traditional means” [6]. It involves “going out in search of wisdom when recruiting or selecting for promotion, and in providing productive opportunities” [19] for people once they are recruited. Consistent with the economistic metaphor, “earlier identification of wise people is preferred, so as to make optimum use of such individuals as a resource” [20]. The major concern in this document is “how to do it quickly” [14]. Then, having obtained wise people, the question of how to “manage and retain the insights of senior public servants after they retire” [14] arises. Suggested answers include job redesign and time; coleadership of projects; “performance agreements” [15] and “tailored programs” [21].” The document acknowledges that the “perceived value of managerial wisdom … will depend on how much time … is perceived to be allocated to it” [17]. In other words, organisations must be prepared to display their commitment to wisdom through their use of the scarce commodity, time.

While acknowledging that the economic tone of the document is at least in part because this is a document dealing with a practical problem, it is nevertheless important to identify the implications of the way in which the document understands applied wisdom because the philosophical suppositions underpinning this understanding will infuse organisational practice for better or worse. These understandings of wisdom draw on various discourses and so are interdiscursively entwined in the text (Bakhtin 1981; Bakhtin 1986; Fairclough 1995, p.199; Lemke 1995). As Lemke (1995) states, these interdiscursive relations “determine what sorts of discursive objects (entities, topics, processes) the discourse can construct or talk about’ and ‘define the relations of meaning among statements’; and, “tell us what the alternative kinds of discourses are that can be formed in these ways and how they can be related to each other as being considered equivalent, incompatible, antithetical, etc.” (p. 30).

In short, the discursive objects in TGKW are the discourses of economy, law, organisational change, and management practice. The discourse of economy is seen in the metaphors of corporate resource; gain; supply; added value. Law discourse links wisdom interdiscursively with public scrutiny of regulatory changes and public accountability. In terms of organisational change, it was noted wise managers’ high personal values are seen as crucial to organisational transformation or change.

Implied in this is the valorisation of change over stasis. Our analysis also showed that selecting and retaining wise people is considered to be relatively easy. This is because wisdom is understood exclusively as a psychological construct or “trait” (the document uses only psychological theorists) and not more broadly as a philosophical and ethical disposition. More importantly, the discourse is an ‘internalist’ discourse concerned about the internal workings of the public administrative organ, rather than how, using a wisdom theoretic, it could be seen as a provider of public service.

Absent from the document is a statement in support of virtue in its own right: that this is a worthy objective of the noble human. Also absent from the document was a statement about the role of the public sector in contemporary life. Given the dialectical attack by neo-liberal thinkers and elected governments on the public sector, it would seem important to state why a wisely led public sector is needed at all. One could argue, for example, that the role of the public sector is to enhance the lives of the citizenry, or to serve the public (hence a public service). These absences are filled primarily by managerial and technocratic (economy, law, regulation) discourses. As a result, the opportunity to produce a more humane document has been foregone.

While this discourse analysis demonstrates a technocratic bias in the data in terms of its justifications for and anticipated outcomes of doing wisdom management, the bias sits awkwardly with the theorization of wisdom presented in the document. We argue that this tension between theory and practice is a function of the difficulties involved in working outside the isomorphic influences of the dominant (technocratic) discourse.

CRITIQUE OF WISDOM CONCEPTS
To highlight this tension, we now shift from a text analysis to evaluate the document using the nine principles of wisdom devised by McKenna (2005). Significantly, the document understands wisdom as a form of knowledge as is implied in:

What sorts of knowledge need to be transferred before they are lost, and why is this knowledge important? No longer an ephemeral construct, within the leadership literature, wisdom has come to be viewed as a desirable and even essential characteristic of executive leaders (Hammer, 2002, p. 11: original italic emphasis).
Yet, our claim is that wisdom has to be seen not as a form of knowledge, because doing so renders wisdom (knowledge) as a set of reified notions that are only loosely connected to conduct or practice, rather than as a set of attributes and skills that allow people to use knowledge effectively and humanely, that is, as a way of being\(^2\). Pleasingly, Hammer sets out the characteristics of wisdom deemed relevant to maintaining effective decision-making in the Canadian senior public service (pp. 11-13). His characteristics of wisdom are drawn from the recent psychological literature (Baltes et al. 2000a; Sternberg 1998). However, we argue that McKenna (2005) provides a fuller description of wisdom because it is drawn from a philosophical and psychological survey of the nature of practical wisdom. A significant benefit of incorporating the philosophical survey is that it represents ideas from a different discursive regime, one that is dissonant with technocratic values, and therefore ensures that ideas that have been closed off in contemporary discourse are nevertheless given the chance to be considered again. From this philosophical survey and psychological meta-analysis nine characteristics of wisdom are derived, which are listed in Table One (left-hand column). In this part of the analysis we demonstrate the concordance between the TGKW document and the analytical/evaluative framework we use and in the right-hand column are references taken from Section 4: Wisdom and Leadership of the document. This section is critical to TGKW in that it effectively defines what wisdom is taken to be by the document. We seek here to ‘fit’ the working definition of wisdom in the document to the evaluative framework. We do this to test for definitional completeness and omission.

<table>
<thead>
<tr>
<th>Nine Wisdom Characteristics</th>
<th>The Getting and Keeping of Wisdom Document</th>
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<tbody>
<tr>
<td>1. Wisdom has a spiritual or metaphysical quality that does not bind it to the rules of reason</td>
<td></td>
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<tr>
<td>2. It evaluates the salience and truth-value of logical propositions when applying reason to decision making.</td>
<td></td>
</tr>
<tr>
<td>3. It acknowledges the sensory and visceral as important components of decision-making</td>
<td></td>
</tr>
<tr>
<td>4. The purpose of wisdom is virtuous action.</td>
<td>“convey values to others”; “a socially conscious values-oriented approach”</td>
</tr>
<tr>
<td>5. It is prudent and practical, displaying a sensible worldliness.</td>
<td>“effective strategic decision-making”; “acts prudently”</td>
</tr>
<tr>
<td>6. Wisdom understands the contingency of life and circumstance, and the constructedness of phenomena in a spatio-temporal location, so is not reducible to method.</td>
<td>“open to learning and admitting that they don’t know everything”</td>
</tr>
<tr>
<td>7. It respects and draws upon experience and tradition as a means of apprehending who and what we are.</td>
<td></td>
</tr>
<tr>
<td>8. It is able to clearly articulate judgments in an aesthetically pleasing way.</td>
<td>“[effective] interpersonal processes” “use and content of dialogue”</td>
</tr>
<tr>
<td>9. It is tolerant, borne of a natural affection for humanity.</td>
<td>deals with people well, readily earns their trust, and can develop and mentor staff”</td>
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</table>

From this analysis, it can be determined which of the nine characteristics are evident or not. In this respect we see that characteristics #1, #2 and #3 are not explicit in the working definition of wisdom in the document.

Dealing first with the three characteristics missing in the document, we assert that the document would be more complete if it were to explicitly incorporate these three elements. Although most clearly associated with the religious understanding of wisdom from the Old Testament (Charles 1913/1973) and later from the Aristotelian theologian, Aquinas (1964), the spiritual and metaphysical nature of wisdom nonetheless is identified also by the contemporary wisdom psychologists referred to by Hammer (viz. Staudinger et al and Sternberg). In a business context we can think of the spiritual as a set of essential and pervading principles guiding us in living the good life. For example, virtue-based action is clearly acknowledged in the fourth characteristic. While not necessarily spiritual in the strict sense, the notion of a “metaheuristic” (Baltes & Staudinger, 2000) acknowledges that good judgement often requires that a person is not bound completely by the rules of reason. Taking this further, we argue that wisdom requires the capacity for intuitive ethical judgement and the ability to place oneself in an affective state that is conducive to having excellent immediate feelings of the right thing to do. Ideas of spirituality also speak to the
The notion that one should exercise judgement, choice and so on under the influence of a sense of empathetic caring (Code 1987; Rooney et al. 2005b; Slote 2003). This spiritual dimension also relates to the capacity for “moving beyond existing rules and being tolerant of ambiguous situations” (p. 129). This, according to Baltes and Staudinger, is one of the most salient predictors of wisdom.

The second characteristic not explicitly evident in the TGKW document is that wise people evaluate the salience and truth-value of logical propositions when applying reason to decision-making. Whereas the first characteristic encourages wise people to think outside the bounds of rationality, the second characteristic acknowledges the importance of rational discussion, but encourages decision-makers to question the truth-value, reliability and justification of the underlying propositions and proposals. When Sternberg (1990a) asserts that sagacity, involves, among other things, “as much an attitude toward knowledge as knowledge itself” (p. 157), he is essentially suggesting that we need to question the epistemic basis of propositions. We would argue that this is especially so where propositions have become doxal, or unquestioned assumptions.

The third missing characteristic that we suggest should be explicitly incorporated is that wise people acknowledge the sensory and visceral as important components of decision-making. We do not mean here that emotion should rule our judgement. Here we acknowledge the research in brain science and consciousness studies, as well as the emotional intelligence literature (See, for example, Ashkanasy 2003; Wade 1996), that supports the efficacy of ‘gut’ level sensitivity in making judgements in certain circumstances. Baltes and Staudinger (2000) claim that folk psychological approaches to wisdom support “the coordinated and balanced interplay of intellectual, affective, and motivational aspects of human functioning” (p. 123).

As reflexive researchers, who acknowledge the epistemic value of inductive and deductive modes of research, we also seek to find ways in which the data adds to theory. Thus, while TGKW does not overtly consider several of our components of wisdom, it nevertheless yields important insights not yet adequately considered by theory. TGKW speaks of: “visioning of leaders”; “perspective-taking capacity”; “personal and interpersonal insight”; and “clearly distinguishes between long-range goals” (p. 12) highlighting what might be called the ‘seeingness’ of wisdom. In other words, the capacity, where appropriate, to see past the quotidian and ephemeral features of any judgement and to envision the effect of alternative actions in the longer term are important aspects of wise managerial practice. This insight also relates to seeing ourselves. The capacity for “personal and interpersonal insight” expressed in TGKW is implied in #7, “apprehending who and what we are”, and this relates back to the idea of empathetic caring. However, it might be better to call it insightful empathy and self awareness. One must not only know oneself and what others may feel, one must have a deeper understanding of one’s own subject position and that of others to be wise. One reason for this is that to fully understand what it is to be someone else, what it is to experience particular phenomena from another’s point of view, is a very useful attribute for a person in public service.

The notion of “self-restraint” in TGKW is also worthy of discussion because although it is implied in our notion of prudence (#5), it is an interesting choice of characteristics in its own right. Self-restraint is presented in TGKW as a bulwark against ephemerality at a time when things are constantly changing, perhaps sometimes merely for the sake of change (cf. Zorn et al. 2000). This is a capacity to avoid compulsive (and therefore faddish) behaviour that is likely to be detrimental in the long-term despite seeming to be attractive in the present. Related to this self-restraint is the ability to be adaptable; they are two sides of the same coin.

Conclusions

The Canadian Public Service document is a pleasing development because it endorses a wisdom approach as crucial to the virtuous and efficacious administration of public service within a nation. It is also praiseworthy for its application of sound and empirically-based psychological theory in characterising the nature of the wisdom sought. What is demonstrated in our analysis, however, is a tension between a theorisation of wisdom, which falls outside the functionalist and utilitarian values and assumptions privileged in the dominant managerial discourse. An effect of this domination is that speaking about the more elevated processes needed for wisdom is made problematic because it comes from outside the dominant discourse meaning that many of those who value the assumptions of the dominant paradigm will be uncomfortable with, even threatened by, wisdom theory. Therefore, we argue that wisdom likely to be a partially understood and accepted concept in management leading to poor conceptualisations and implementations of it within organisations. Therefore, we caution that just as knowledge management is limited by a lack of theoretical completeness in relation to knowledge, it is likely to be the case that wisdom management will be weakened by a lack of knowledge about wisdom. It would be unfortunate and an opportunity lost if an emerging enthusiasm for wisdom in management is met by this fate.
AN ANALYSIS ON THE EXPENDITURE OF BHARATH SANCHAR NIGAM LIMITED

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Abstract

Sustainable Business Practices need to have a control over its expenditure. So this paper explains how the BSNL has no control over its expenditure with all details and its analysis. India has the fastest growing telecom network in the world with its high population and development potential. The telecommunications system in India is the 2nd largest in the world. India’s public sector telecom company BSNL is the 7th largest telecom company in world. The total number of telephone subscribers in the country stands at 914.59 million, while the overall tele-density has increased to 76.03% as of Oct 31st, 2011. Total numbers of mobile phone subscribers have reached 881.40 million as of Oct 2012.

In this study an attempt is made to analyze the expenditure of BSNL and to make suggestions and recommendation as it is under financial doldrums with continuous losses.

Key words: Expenditure, sustainability, Tele-density, BSNL, MTNL, DOT, Lethargic.

Introduction

BSNL is not following the corporate norms of issuing financial Statements then and there as per the specific periodicity. The private companies are prompt and have been following the practice by issuing the quarterly results as well as year ending results without any delay. Even MTNL issues the same. As a disinvested company it has its own mandatory obligation. But our BSNL a 100% Government company is highly lethargic and failing to publish the results even after 8 months and showing scant attention on this matter. On the side of expenditure, the major items are employees’ remuneration, LF+ spectrum fee, administrative expenses and depreciation. Employees remuneration and other benefits are increased from 13455.04 crore to 13790.95 crore, a raise of 335.91 crore - a nominal raise only - may be due to compensation of price rise through DA. Depreciation is calculated to the tune of 9725.43 crore (9196.79) - up by 528.64 crore. It is ‘heartening’ to note that administrative and operative expenditure is reducing year over year. It is shown as 10123.68 crore (10199.05) down by a meager 75.37 crore. The total expenditure is shown as 36001.64 crore (10199.05) that is the overall expenditure has gone up by 1923.60.

The increased expenditure is not due to employees’ remuneration but due to LF + Spectrum fee and the increase on that head is 1096.17 crore (1971.72-875.55). The earnings per share have turned to negative side from -3.65 to -12.77; a factor must be taken note off seriously. Our bank deposit is reduced from 28660.76 cr. to 840.20 cr. - a depletion of 27820.56 cr. within a year. (-18500 cr. gone to 3G/ BWA) and we are losing bank interest of 2000 cr. because of this factor alone.

Expenditure on the head on pension contribution is 1399.09 crore. This contribution may be lessened if our demand of contribution on initial pay is accepted by DOT. Our medical expense is 548.20 crore (484.06). If “MRS CUT” is not restored, and management is firmsed to continue the cut, then MRS expense would be to the tune of 100 crore only for the YE 2012. Another head of major expenditure is on power and fuel. For the YE 2011, the expense is 2227.87 crore (2030.57). Advertisement and business promotion expenses are 13.64 & 172.42 crores respectively. Comparing private sector, this expenditure is very meager. The expenditure on security services is also reduced from 360.21 crore to 335.17 crore.

Directions to CGMs for control on Travel expenses and Expenditure on business promotion and marketing.

No Expenditure on construction of Administrative Building/IQs etc should be made. Total ban on purchase of new vehicles along with Curtailment of expenditure especially in controllable object of expenditure like Repair & Maintenance, Vehicle Running expenses, Power and fuel Charges, Inland & Foreign Travel Expenses, advertisement, security Guards, Professional Charges, Printing/Publication & stationary, Overtime allowance, Postal expenses and other administrative expenses etc.,

SNEA (I) Bihar Circle reviewed the situation of financial crunch and found that the Collection of revenue and pattern of expenditure is more alarming due to the gap is widening in Bihar Circle. In this situation, the revenues need to be increased by providing number of connections, maintaining quality of services with customer satisfaction and pattern of expenditure should be changed according to cash inflow, so that gap should be minimized. The Circle Office Bearers and members of PTD of SNEA(I)discussed on the above issues on 23rd Nov’2010 at CTTC, Sanchar Parisar, Patna and following action may be taken in this situation as given below:-
1. Expenditure (productive) on electricity:
   (a) Immediate take electric connection from SEB/PESU for Exchanges/RSU/BTSs where electricity supply is available but no electric connection has been taken.
   (b) Analysis of electrical load of each BTS/RSU/Exchange/Office and accordingly modify with consultation of BSEB/PESU.
   (c) Sufficient number of power module must be available in each BTS/RSU/Exchange should be done, so the battery should be charged properly and work when electricity supply failure.
   (d) Centralized Electricity Bill payment system should be implemented to avoid surcharge and avail rebate when paid within time limit.
   (e) To avoid the use of Air-condition and Heater/Blower in office/chambers as far as possible for saving of electricity bills.
   (f) Energy audit should be done as per prescribed norms

2. Expenditure (productive) on fuel:
   (a) Capacity of DG sets must be analyzed and place properly as per actual requirement.
   (b) Actual consumption of fuel per hour by DG sets must be defined for each BTS / RSU/ Exchange /Office

3. Expenditure on vehicle:
   (a) Departmental vehicle available only for CGM and SSA head.
   (b) Vehicle should be continued on actual need basis for maintenance and field works in the interest of providing and maintaining Telecom Services.
   (c) Withdrawal of vehicle from administrative office and transport allowance may be given to Executives.
   (d) Vehicle should be available on requisition basis for official work within working hours.
   (e) Uses of vehicle for personal work must be avoided and if found then must be highlighted.

4. Expenditure on repairs on maintenance:
   (a) AMC should be revised on the basis of actual working capacity of switches.
   (b) Copy of Terms and Agreement of AMC must be provided to maintenance In-charge or certification authority and feedback must be taken from that level.
   (c) Payment of AMC bills on the basis of maintenance In-charge after applying the penalty clause as per agreement must be followed
   (d) Comparison of expenditure between IP site BTS and BSNL/Non-BSNL BTS. If expenditure in IP site BTS is more than BSNL/Non-BSNL BTS, then must be shifted for cost effective measure.
   (e) BSNL is anchor for IP site then must be force to IP for sharing to other operator, so that the rent and fuel & electricity charges may be reduced.
   (f) IP must be taken electricity connection from BSEB/PESU, so that fuel charges may be reduce for operation of BTS.
   (g) Justification of IP site on the basis of location and traffic capacity.

5. Expenditure on security guards:
   (a) Home guards should be replaced by Private guards throughout Bihar Circle
   (b) Minimum use of security guard in administrative buildings to avoid the unusual expenditure in the name of security.

6. Expenditure on travel:
   (a) Air travel should be totally banned at any level to avoid huge amount of expenditure.
   (b) Review /Management meeting should be done through Tele-conferencing and Video-conferencing to avoid huge amount of traveling expenses.
   (c) Web based virtual classroom platform may be utilized for training purposes to avoid traveling expenses on training.

7. Proper utilization of resource:
   (a) Proper utilization of Seminar hall/Conference Room, Telecom Recreation Club, Community Hall for revenue generation
   (b) Booking of IQ on priority basis for BSNL employee on official tour to avoid expanses on TA/DA.
   (c) Booking of IQs at market rate in case of other than BSNL Employees if availability is there.

8. Expenditure on marketing and advertisement:
   (a) Emphasis on effective and attractive outdoor advertisement rather than indoor/premises.
(b) Leaflets and brochure of every scheme and tariff of different Telecom Services must be available at very Point of Sale (POS).

9. **Miscellaneous expenditure:**
(a) Sports Activity: SNEA (I) wrote a letter to CGMT, Bihar Circle as well as to General Secretary SNEA (I) CHQ for Postponement of the All India BSNL Carom Tournament, which is scheduled to be held from 17th to 22nd December 2010 in Bihar Circle.
(b) Corporate Social Responsibility (CSR): CSR activity Should be postponed till the financial condition of BSNL can not improve.

**Suggestions:**
Out of the past four years, in 3 years BSNL recorded a decrease in profit and in 2 years a decrease in income, but the expenditure has continuously increased due to the above mentioned expenditure. These are the years where telecom sector emerge as a fastest growing sector of economy and in the same years BSNL failed to gain more income. Although the income figure is continuously falling, there is no impact shown on expenditure side. It is continuously increasing over the years. This is the main cause of reduction in profits.

**Conclusion:**
To sustain its business BSNL should try to control its expenditure as far as possible to compete with other telecom players in the India.

**Reference Books**

**WEBSITE:**
www.bsnl.co.in
BUSINESS EXCELLENCE MODELS

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Abstract

Business Excellence, as described by the European Foundation for Quality Management (EFQM), refers to: "Outstanding practices in managing the organisation and achieving results, all based on a set of eight fundamental concepts", these being, “results orientation; customer focus; leadership and constancy of purpose; management by processes and facts; people development and involvement; continuous learning, innovation and improvement; partnership development; and public responsibility”. This definition serves as a typical example of those put forward today.

Keywords: Change Management, Bench Marking, Quality Circles.

Introduction

In general, business excellence models have been developed by national bodies as a basis for award programmes. For most of these bodies, the awards themselves are secondary in importance to the wide-spread take up of the concepts of business excellence, which ultimately lead to improved national economic performance. By far the majority of organisations that use these models do so for self-assessment, by which they can identify improvement opportunities, areas of strength, and use the model as a framework for future organisational development. Users of the EFQM Excellence Model, for instance, do so for the following purposes:

When used as a basis for an organisation's improvement culture, the business excellence ‘criteria’ within the models broadly channel and encourage the use of best practices into areas where their effect will be most beneficial to performance. When used simply for self-assessment the 'criteria' can clearly identify strong and weak areas of management practice so that tools such as benchmarking can be used to identify best-practice to enable the gaps to be closed. These critical links between business excellence models, best practice, and benchmarking are fundamental to the success of the models as tools of continuous improvement.

The most popular and influential model in the western world is the one launched by the US government called the Malcolm Baldrige Award Model (also commonly known as the Baldrige model, the Baldrige criteria, or The Criteria for Performance Excellence). More than 60 national and state/regional awards base their frameworks upon the Baldrige criteria.

There are two main challenges that are faced by those using business excellence models, both of these are addressed by the services of the BPIR. The following two paragraphs outline these issues.

The first challenge encountered involves the fact that the criteria in the models contain hundreds of questions requiring responses on how or what is done in particular areas of focus. These questions are designed to apply to a generic organisation (although there are three versions of the Baldrige Model which are specific to Business, Education, and Health industries), as such they can be difficult to interpret to specific circumstances without spending a reasonably large amount of time reading around the model – something that many organisations with a short term focus find hard to justify. This challenge has given rise to much work for consultants on the subject.

The second and main challenge encountered when using business excellence models is that none of the models provide solutions. Although understanding the criteria and responding with the organisation's practices or results should bring enlightenment relating to what the organisation should be considering, there is no specific advice given on how to improve performance. It is left up to the user to find ways to improve in the areas identified.

Challenge Of Change

The management of organisations in a complex and changing world presents a major challenge. Making sense of conflicting priorities, allocating limited resources, understanding the impact of the organisations actions, comparing performance with competitors and responding to customer needs are just some of the issues management have to address. Balancing the effort of the organisation to address these and the many other issues and challenges faced can be a daunting task.

Small wonder then that for many organisations there is no time to adopt a systematic approach to the challenge. The issues of the day are addressed as they occur and priorities are identified as the biggest fires for these ‘fire-fighter’ organisations.

Some organisations seek solutions that avoid the complexity described above. They search for the solution, the initiative that will provide the answer and magically transform their performance and create success.
In this section we will explain Business Excellence offers an effective alternative. It enables organisations to understand the complexities of the conflicting demands placed on them and to learn how to continuously improve the utilisation and focus of all of their resources to achieve better and better results.

**Why business excellence?**
Don’t be put off by the name. It’s not about chasing awards to fill the trophy cabinet, or logos for your letterhead. Nor is it a theoretical or academic exercise divorced from the real work of the organisation. Business Excellence is all about making your organisation perform better; produce better profits; achieve success; deliver its aims. It’s about delivering real bottom line improvements in performance to private and public sector organisations.

Well that’s what it can be; what it should be; a set of principles and tools that can be used to improve any organisation, but as is the case with any tool it can also be misused and its value diminished or lost.

**Achieving Success**
The difference between the effective and ineffective use of Business Excellence lies more with the way in which the approach is used than the approach itself. The important factor for success is the mindset of the user of Business Excellence, and key to helping set the correct mindset is a clear understanding of how Business Excellence can be used for improvement.

So in looking at what Business Excellence is, whilst many will simply describe the tool, it is also important to share this real understanding of the principles on which it works and thereby how it may be used to maximum effect.

Later I provide some further thoughts on the mindset, when we look at the advanced use of Business Excellence towards the end of this description. First let us review some of the background and ideas of Business Excellence.

The achievement of effective and sustained change can be viewed as a journey. Let’s take our own short journey to understand what we believe Business Excellence really is.

**Origins**
The origins of Business Excellence lie in work which addressed the questions ‘Why are some organisations excellent whilst others aren’t?’ - ‘What is it that sets excellent organisations apart?’

The answer may be something of a surprise - The conclusions drawn from this work was that the excellence of organisations cannot be attributed to a common set of actions performed by excellent organisations - there is no set of actions that excellent organisations do that explain their excellence!

Service organisations may equally have different solutions to manufacturing organisations. Public sector organisations may have different mechanisms to those of private sector organisations. What these organisations do to achieve the same end of excellence will inevitably be different. (Of course this does not dent the enthusiasm of the sellers of initiatives that claim theirs provides the ultimate solution!)

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**SHARED BELIEFS**

What was discovered was that excellent organisations shared a common set of beliefs. These beliefs captured a shared set of fundamental concepts that excellent organisations held to be true and committed themselves to be guided by. This set of eight
beliefs were common to all of the excellent organisations. These beliefs form the foundation on which Business Excellence has been built.

So crucial are these fundamental concepts that any organisation that does not share a commitment to all of them will find that Business Excellence runs at odds to the organisations aims and beliefs. Consequently the organisation is unlikely to benefit from the use of Business Excellence.

A good start point for any organisation is to review these fundamental concepts, illustrated in the diagram on the left, to check that they align with your own and your organisation's beliefs.

**Shared Questions**
In addition to a shared set of beliefs what was also discovered was that excellent organisations, rather than being linked by doing the same things, instead were linked by the fact that they asked the same questions of themselves.

They shared a common set of questions that they knew that they must answer and keep answering over and again as their organisations progressed. These questions identify the key issues that have to be addressed and which in turn identify the key actions required to ensure movement towards excellence.

The quest for excellence is therefore not the implementation of the fixed set of actions for excellence, but the pursuit of answers to the questions of excellence.

The set of questions that excellent organisations ask themselves were wide and varied and covered every aspect of the things they did. In addition they covered all aspects of what they achieved in every aspect of their performance.

By asking these questions, excellent organisations had developed the means to focus their management time and attention in just the right areas that had a significant impact on the performance of the organisation.

Their management focus was therefore directed at arriving at answers to these questions. Improving these answers was their vehicle to continuously improving performance.

To help understanding and application of the questions they are gathered into groups within a structure of nine criteria, five for the actions of the organisation and four for the results. It is by this structure of nine criteria that Business Excellence and the Business Excellence Model are best known.

Within each of the criteria there are further subdivisions or sub-criteria that group the questions into logical sets.

**Continuous Improvement**

On their own, the questions are just a list of questions. The means to apply and assess the responses to these questions reveals the second key element of the origins of Business Excellence.

Attributed to Demming and others Plan, Do, Check, Act (PDCA) is the quintessential encapsulation of continuous improvement thinking.
This simple (to describe at least) process is the natural way that most of us intuitively learn. If we think of the way we behave; without realising it we apply plan, do, check, act many times each day.

For example, imagine you want to achieve something (plan), you set out to achieve it (do), you find that some parts worked whilst others didn’t (check), you learn and decide what to do differently next time to ensure you are more successful.

Whether applied to the trivial task of reaching the pen that has just rolled under the desk, or the more involved tasks of choosing our summer vacation, we intuitively appear to follow this process with greater or lesser degrees of rigour. It’s really not rocket science.

In organisations however the application of plan, do, check, act proves much more difficult and we may find ourselves working or dealing with organisations that regularly exhibit a lack of evidence of this approach; a lack of ability to learn and improve even the most obvious of problems.

This simple idea of plan, do, check, act is a very powerful mechanism for generating improvement and it is built upon and cleverly intertwined within the development of Business Excellence in a number of ways. This embeds the PDCA process within Business Excellence and thereby within the operation of organisations who correctly adopt the principles of excellence.

**RADAR**

The questions contained in the Business Excellence model capture the key questions that excellent organisations have determined must be addressed and answered if they are to effectively manage and improve their organisation. Indeed in a constantly changing world it isn’t enough to answer these questions, they must be repeatedly asked and re-answered over and again as the organisation moves on and its circumstances change.

You might consider that these are the questions that excellent organisations agonise over until the early hours of the morning; the key points of the conscience of excellent organisations. They are a powerful set of prompts for an organisation, but on their own lack penetration and could be seen as little more than a checklist.

What gives them real teeth is the way in which they are applied to an organisation. Based on Plan, do, check, act, RADAR provides the mechanism by which each of the questions is directed at the organisation to challenge and generate real understanding and through this identify current performance and critically what changes will yield improvements.

RADAR challenges the organisation to describe, for each of the questions in the model

1. How it developed its **approach** in a sound and integrated way.
2. How the approach is **deployed** in a systematic and thorough way
3. How the approach and deployment are **assessed** to provide measurements
4. How **reviews** of the measurements create learning and improvement
5. How the **results** provide targets for performance and demonstrate the effectiveness of the organisation’s work.

Correctly used this amplifies the impact of the questions and provides the basis for an extremely challenging assessment of an organisation.
Assessing An Organisation
The process of conducting the evaluation of an organisation involves the structured application of the questions as described above, with analysis of the responses, feedback and the identification of improvement. It can be seen that this is simply another continuous improvement loop.

The Business Excellence Model questions are used to question and determine the organisation’s answers in the deployment step. This may be achieved by any of a wide range of Business Excellence tools ranging from a simple matrix of questions, to a thorough external assessment including a site visit. The precise selection of tools to be used is based on the current maturity of the organisation as this will determine the organisation’s ability to make use of the output. It will also depend, for example, on available time and resources and critically what the organisation’s aims for the assessment are.

Prior to the assessment, the organisation may have collected and prepared information in the approach step that will help in answering the questions. The assessment step is the analysis of the organisation’s responses to the questions and the creation of feedback. In the review step the organisation can analyse and prioritise the feedback from the assessment which will have determined both the organisation’s strengths and its opportunities for improvement, and thus identify the key improvements that it will implement.

The result step sets the targets for each stage of the assessment and determines the impact of the assessment process on improving the organisation’s performance.

Changing an organisation doesn’t happen overnight. It takes time to understand what needs changing; to build changes into the plans; to learn how to make the changes work and to see the benefits.

A good way to think of change is as a journey. As we move along this journey we will gain knowledge, experience and capabilities. We will both be able to do more as we progress and understand more. In reality an organisation that is successful in creating continuous improvement is an organisation that has changed and is changing. As it progresses along its journey these changes will grow in their impact and the organisation will reach points where it is barely recognisable as the same organisation that embarked on the journey.

A great power of Business Excellence is that it can help an organisation throughout the steps of the journey, throughout this transition. Unlike many tools which have a fixed shape; a fixed purpose and appropriateness to one particular step of the journey, Business Excellence can change its contribution as the journey progresses.

This makes it a little more challenging to describe Business Excellence in concise terms, but much more importantly it places a responsibility on the user to understand what Business Excellence is capable of and what they require of it at their point on their journey.

If you only understand hammers, if you are only able to see Business Excellence as a hammer, a hammer is all you will get. As you progress on your journey and your knowledge grows, what you can achieve with Business Excellence will grow also, but only if you let it.

Organisations that are able to remodel Business Excellence as they progress will be able to explore its immense power to create change throughout their journey - these are the explorers.
Organisations that are inflexible and can only see it in the way they first encounter it will derive much less benefit and will discard it as they feel they have outgrown its use - these are the day-trippers who will move on to replace Business Excellence with their next initiative.

For explorers, as their journey progresses Business Excellence will reshape and mould itself to be a powerful companion on their journey. Business Excellence, however, will not have changed. What has changed is their understanding of how it can be used to help create change.

**Help On Your Journey To Excellence**

Rare amongst the many organisations that aim to provide support in the use of Business Excellence, we have many years of real practical experience in both the assessment of organisations and the use of Business Excellence to create dramatic transformation of an organisation. Steve Unwin led the work within BAE SYSTEMS that led the Business Excellence element of the transformation of BAe from the brink of bankruptcy to becoming the world’s second largest aerospace and defence business.

Uniquely Access to Excellence have pioneered the development of Business Excellence ideas and the advancement of understanding of Business Excellence. Through the development of the explorer approach we are able to transform Business Excellence from being a very promising initiative for improvement, to a real sustainable approach to realising dramatic transformation of an organisation’s performance.

Balanced business approach to leading edge development of Business Excellence ideas and tools, allied to a willingness to share these developments underpins our aim to work in partnership with organisations who want to explore excellence. We are keen to work with organisations to help their exploration of performance improvement. The first step in working with organisations is an open discussion in which we will understand the organisation’s needs and aims and aim to identify whether and how we may be able to work together on improvements.

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THE BUSINESS OF EXCELLENCE - TATA WAY

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Introduction

The Tata Group plays a central role in the Indian economy and is currently at the fore in the internationalization of Indian companies. A key vector that has helped Tata companies grow and establish themselves on the global stage is the strong business excellence movement in the group. The Tata Business Excellence Model (TBEM), introduced in 1995 and has played a major role in bringing the companies together, helping to define their common purpose and philosophy, and strengthening the Tata brand. The TBEM initiative led to the ‘stitching together’ of Tata companies at different levels, connecting chief executives, business leaders and line managers of the many group companies.

The model has provided Tata companies with a framework for assessing their businesses holistically, and adopting measures to improve their competitive strength, financial performance and operational efficiencies. Before TBEM, there was little interaction and knowledge-sharing between Tata companies, even those operating in the same city or same industry. This kind of functioning resulted in unhealthy competition and lost opportunities. Also, the sharing of good practices was virtually nonexistent.

The Tata Business Excellence Model, or TBEM, was created by using the Malcolm Baldrige National Quality Award model of the US as a base. Since then, TBEM has been modified to re-orient it and align it better with the Group’s new economy sector initiatives and with its internationalization goals. The Malcolm Baldrige model is accepted universally by businessmen as a hallmark of excellence. Companies winning the Malcolm Baldrige Award are known to have routinely outperformed other Fortune 500 companies 5:1 in terms of returns to stakeholders. The essence of this framework is a proactive attitude rather than a reactive one. It is about changing the business and running it effectively and efficiently. The TBEM assessment covers seven core aspects of business operations: The core values and concepts of TBEM are embodied in seven categories: 1. Leadership; 2. Strategic Planning; 3. Customer Focus; 4. Measurement, Analysis and Knowledge Management; 5. Workforce Focus; 6. Process Management and Outcomes of Financial and Non-Financial Parameters; and 7. Business Results.

The TBEM system focuses on certain key areas of business performance: Customer-focused Results; Product and Service Results; Financial and Market Results; Human Resource Results; Organizational Effectiveness Results; Governance and Social Responsibility Results.

This paper tries to highlight the important role of TBEM which has become the vehicle for seamlessly integrating the group’s global acquisitions and aligning them to the Tata culture.

Genesis:

Back in the 1980s, very few people could have imagined how intense the competition would get only a decade later. Not only has Chairman Ratan Tata’s vision equipped the Tata Group to survive the challenges, the business excellence programme he initiated has helped Tata companies to launch themselves into the global arena. Like all great men, JRD Tata, too could have been immortalized with a brick and mortar edifice or a bigger-than-life bronze statue. Instead, the Group he nurtured prefers to remember him through something he stood for and cherished. As his successor, Ratan Tata, the current Chairman of the Tata Group, recalls, "Considering that he adored perfection to such an extent that this was an intimate part of his life, I thought an annual award, the JRD Quality Value Award, would be a good way to remember him."

Business excellence has become a buzzword in the Indian management lexicon relatively recently; but it has been a watchword for the Tata Group for as long as its senior managers can remember. From its early years, the Group embraced the concept of excellence with passion. As chairman and mentor, JRD considered excellence a sine qua non of good business; he had utter disdain for laid-back attitudes and carelessness. He believed that, if one doesn’t aim for perfection, one will not achieve excellence."

The need to institutionalise excellence was felt in the early 1990s. Mr JRD Tata asked Dr J. J. Irani, then managing director of Tata Steel, to supervise the founding of a business excellence programme, which was seeded in 1995 with the institution of the JRD QV Awards and the formation of Tata Quality Management Services (TQMS). TQMS was given the mandate to drive business excellence in Tata Group companies.
Tata Quality Management Services, a division of Tata Sons, is entrusted with the mandate by Tata Sons to set standards of excellence and partner closely with group companies to help them achieve their business excellence and improvement goals. Tata Quality Management Services is the custodian of the TBEM assessment process and the Tata Code of Conduct training and interventions. Tata Quality Management Services aspires to be a trusted partner in the sphere of Business Excellence to all companies in the Tata group.

Prior to the introduction of Tata Quality Management system in 1990, the TATA Group had silo-like functioning extended right down the line for instance, even in Jamshedpur, Tata Steel executives never ventured to the Tata Motors facility next door and nor did executives from the automaker show any interest in the steel giant. It was only after TBEM opened the doors and networked the neighbours’ that Tata Steel took the first initiative, and sent its workers to Tata Motors to understand how automotive-grade steel was processed to form the body of a passenger car. This was an eye opener for the Tata Steel workmen; it made them understand how even a small scratch on the steel sheet they produced could affect the quality of the finished product. The TBEM initiative led to the ‘stitching together’ of Tata companies at different levels, connecting chief executives, business leaders and line managers of the many group companies.

Along with TBEM, there are now several other initiatives that enable this bonding, such as the JRD QV Award function, the Tata Network Forums (TNFs), the annual Business Excellence Convention and the Tata Group Innovation Forum. An important outcome of the TBEM assessment process was the sharing of best practices between Tata companies, with assessors acting as conduits for the transfer of knowledge. Companies started learning about each other, appreciating the good things and collaborating. Within three to four years of its launch, TBEM emerged as the common lingua of the group. Everyone was talking a common improvement language. A big success factor has been the role played by senior leaders as mentors of the TBEM assessment teams. It created a good connectivity within the group and speeded up the integration. Even Mr. Tata, the inspiration behind the TBEM programme, has often said he had not expected it would become a movement so wide and deep that it touched every company in the group.

**Driving excellence**

The need to institutionalise excellence was felt in the early 1990s. Mr. Tata asked Dr J. J. Irani, then managing director of Tata Steel, to supervise the founding of a business excellence programme, which was seeded in 1995 with the institution of the JRD QV Awards and the formation of Tata Quality Management Services (TQMS). TQMS was given the mandate to drive business excellence in Tata Group companies.

It was an ambitious goal. Chairman Ratan Tata would settle for nothing less than the very best. So all major existing business excellence models were studied and the Tata Business Excellence Model, or TBEM, was created by using the Malcolm Baldrige National Quality Award model of the US as a base. Since then, TBEM has been modified to reorient it and align it better with the Group’s new economy sector initiatives and with its internationalisation goals. The results were quite evident for all to see. At the JRD QV Awards 2005, Dr Irani, who is chairman, TQMS, and director, Tata Sons, affirmed the success of this with these words: "JRD would have been very happy to see the progress we have made on the quality front through the JRD QV programme… In ten years' time, I personally feel, the attitude towards quality has been transformed." That is putting it mildly. The fact is that even hardened sceptics have been converted to the new way of thinking and doing.

In 1995, the JRD Quality Value Award was instituted in the memory of Mr JRD Tata – a crusader for the cause of business excellence in Tata companies. The TBEM criteria are used for recognising Tata companies on July 29 each year that marks the birth anniversary of Mr JRD Tata.

The objectives of the award are:

- To create awareness on the importance of the value of quality and the need for total customer satisfaction in all areas of operations within the Tata group.
- To achieve and sustain continuous excellence and consequently leadership in the marketplace.

**Evaluation process**

Tata companies participate in an annual process of assessment. The idea is to subject companies to an assessment, based on the excellence parameters embedded in the Tata Business Excellence Model (TBEM).

Each company writes an application in which it describes what it does and how it does in the context of the TBEM criteria. This application is then evaluated and studied by trained TBEM assessors who analyse the processes and systems prevalent in the company being assessed. The assessors visit the company and interact with its office bearers across all levels and departments. They draw out the strengths and improvement opportunities, and then provide feedback to the leadership team. An in-built scoring mechanism enables the company to track its progress over time, and ensure that it keeps improving.
Criteria for recognition:
- JRD QV Award: 600+ for the first time
- Leadership in Excellence: 700+ for the first time
- Sustained Excellence: 3 successive improvements beyond 600
- Active Promotion: 500 to 600 for the first time
- Serious Adoption: 450 to 500 for the first time
- High Delta: High improvement in one year min 75 for 500-
- High Delta 500+: High improvement in one year min 50
- High Delta 600+: High improvement in one year min 25

The Competitive advantage
Since the early 1990s the business environment had changed dramatically. With the opening up of the Indian economy, competition had intensified. Not only did the Group have to sharpen its business focus — something its present chairman had been pushing for since the early 1980s — it had to improve productivity and process efficiencies and become more customer-oriented than Indian companies had been accustomed to in the past. That was the only way in which to survive and grow in the face of competition from some of the biggest business groups in the world. The drive for business excellence helped the Group not only to survive but also to grow rapidly in India and abroad.

The Malcolm Baldrige model is accepted universally by businessmen as a hallmark of excellence. Companies winning the Malcolm Baldrige Award are known to have routinely outperformed other Fortune 500 companies 5:1 in terms of returns to stakeholders.

The Tata decision to go for the Baldrige model has a history. Two Tata Group companies had had firsthand experience with the model. Tata Honeywell (no longer a Tata company) used it; they called it the Honeywell QV process, explains Sunil Sinha, CEO, TQMS and Tata Steel had adopted the Baldrige framework for its internal award process; it was called the JN Tata Process. Mr Sinha adds, “The Group had a comfort level in adopting a framework with which two of its good companies had had positive experience earlier.”

Yet another factor has been the formation of the TNFs. Launched by TQMS in 2001, there are 11 TNFs today, five in India and six abroad. Led by senior chief executives of each region, they act as a meeting place for Tata executives, an umbrella under which synergies are explored and

It aims to offer value to group companies for enhancing their performance and global competitiveness. Tata Quality Management Services collaborates with group companies, through long and short-term initiatives, in the following key areas: TBEM Training and Assessment.

Tata Business Excellence Model (TBEM)

The TBEM methodology has been moulded to deliver strategic direction and drive business improvements. It contains elements that enable companies following its directives to capture the best of global business processes and practices. The model has retained its relevance due to the dynamism built into its core. This translates into an ability to evolve and stay in step with ever-changing business performance parameters.

The TBEM matrix is used for the organisational self-assessment of Tata companies, recognition and awards, and for providing feedback to applicants. In addition, TBEM plays three important supportive roles in strengthening the competitiveness of Tata companies: It helps improve business excellence practices, capabilities and results. It facilitates communication with a common language of excellence across all Tata group companies and sharing of best practices among Tata companies. It serves as a working tool for understanding and managing performance, for providing planning guidance, and for identifying learning opportunities.

The TBEM methodology comprises a set of questions that applicant Tata companies have to answer. Its main objectives are to enhance value for all stakeholders and contribute to marketplace success; maximise enterprise-wide effectiveness and capabilities; and deliver organisational and personal learning.

The core values and concepts of TBEM are embodied in seven categories: 1. Leadership; 2. Strategic Planning; 3. Customer Focus; 4. Measurement, Analysis and Knowledge Management; 5. Workforce Focus; 6. Process Management and Outcomes of Financial and Non Financial Parameters; and 7. Business Results. The TBEM system focuses on certain key areas of business performance: Customer-focused Results; Product and Service Results; Financial and Market Results; Human Resource Results; Organisational Effectiveness Results; Governance and Social Responsibility Results.

Teething troubles
Given its comprehensive coverage and robust methodology, TBEM was ideal to streamline processes in Tata companies. That didn't mean it was a cakewalk.
The initial response from managers was lukewarm. Implementing something new is never easy; and TBEM was no exception. It was a new concept, and companies were not clear about how it would help them. To many it just seemed like an additional chore, which they were not keen to take on. And there lay the rub; if enthusiasm was lacking, the whole idea could fall flat on its face — for it was not a question of 'implementation' as a formality but effective adoption of the sound and systematic processes that are the essence of TBEM.

What tipped the scales in favour of TBEM initially was the management's desire to qualify for the use of the Tata name, for which companies had to sign the Brand Equity and Business Promotion (BEeP) agreement. This agreement, a result of Mr. Tata's insistence on its companies meeting the Tata quality standards, places an obligation on Group companies to implement TBEM and achieve agreed standards of excellence over a fixed period of time. The TQMS assessment process measures the progress companies make every year. Over the years company managers have realised that TBEM actually boosted their performance.

**TBEM Assessment**

The Tata group accentuates the importance of Assessment, keeping in mind the evolving needs of the organization. Assessment can be called as an annual health checkup of a Tata company. However, it is much more than that as during the Assessment all the systems of a Tata Company are thoroughly checked vis-à-vis the Tata Business Excellence Model (TBEM). This is done to check what the company is doing right and where the opportunities for improvement remain unaddressed, particularly looking via the context in which it does business. In a nutshell, the Assessment process uses expertise, within the Tata group, which is specially trained for carrying out such diagnostics to get a report on the health of a company. To get itself assessed, a Tata company writes out an Application of Assessment. This document encompasses three major points:

1. Organizational Profile - Backdrop of the company and industry
2. Process Descriptions - How the company runs its business
3. Results - What the company has achieved

Typically, a total of five to ten assessors are involved in the Assessment process of a particular company, with the number varying depending on the complexity and the spread of the business. The team of assessors comprises individuals with different business and functional backgrounds, thus bringing a pool of rich experience and exposure to the Assessment process.

In January/February, Tata Quality Management Services approaches the Tata companies giving them an indication of the Assessment schedule and the inputs required from the companies for the process. The companies are asked to express their intent to participate into the Assessment process. In general, around 40 to 60 organisations take part every year, with Assessment of one company taking nearly six to ten weeks to complete. Tata Quality Management Services prepares for the Assessment by putting together a Potential Assessor Database. After identifying the individuals eligible to be assessors, invitations seeking their availability are sent for the identified assessors giving them an opportunity to participate in the TBEM Assessment. The participation in an assessment is a matter of pride and a source of immense learning. An experienced Team Leader leads the Assessment team.

After taking into account the functional background and experience of the available Assessors and Team Leaders, Tata Quality Management Services moves to the 'Teaming' phase carefully going through the permissible permutations to churn out the best possible combination for the Assessment process. Parallelly, the selection of mentors takes place. These mentors are CEOs and senior leaders from Tata companies who coach and guide the Assessment teams. After this, a schedule is prepared for the whole process.

The Assessment Process comprises three important stages:

**1. Key Business Factors Consensus (first 2 weeks)**

The Assessors study the industry of the Tata Company being assessed and then interact with the company on the key business factors. The assessed company and the Assessment team reach a common understanding of the most critical, contextual issues that have to be kept in mind while doing the Assessment of the company.

**2. Individual Assessment & Pre-consensus (3 to 5 weeks)**

All the assessors in the team carefully study the industry and the company. After the completion of this activity, the assessors exchange notes and then decide the roles each one would be playing in the Assessment process. They all form a single view of the assessed company and give a direction to the process.
3. Site Visit
After completing a thorough study, the Assessment team identifies the critical issues and areas that need to be probed to the detail. For carrying out a thorough Assessment, the team moves to the final stage, which is the Site Visit and interacts with people within the company, right from the leader to the blue-collar worker. In certain cases, the team also meets the dealers, franchisees and the contract labour. These interactions are used to gather data on the critical issues that have been identified earlier.

The Final Feedback is prepared after refining the pre-agreed team report on the basis of the data and information collected subsequent to the interaction. They extract the important issues from the Final Feedback and make a quick presentation to the company about the key findings from their Assessment.

TBEM training:
The various TBEM programmes aim to develop business excellence champions for the assessment process and sharpen the assessment skills of assessors to meet the growing and changing business needs within the Tata group.

Improvement services:
TQMS provides consultancy services in customer-driven excellence, knowledge management (to enhance sharing of resources and best practices), innovation, Total Quality Management, balanced scorecard and other improvement methodologies to help drive improvement within Tata companies.

Climate change:
TQMS aims to create relevant awareness about climate change and provides assistance to Tata companies through programmes and initiatives.

Innovation:
The Tata Group Innovation Forum (TGIF) works on enhancing the innovation ecosystem and accelerating the focus on innovation in Tata companies. It has developed several diagnostic tools for innovation.

Corporate governance and ethics:
TQMS guides Tata companies in their quest for excellence in corporate governance and in the inculcation of ethics among employees. The TCOC serves as a roadmap for employees on values, ethics and business principles, while corporate governance is covered under TBEM assessment which helps companies reflect upon and improve governance practices.

Safety:
TQMS is working to enable Tata companies to benchmark and achieve world-class excellence in safety standards.

Education excellence:
TQMS has developed the Tata Education Excellence Programme which has been adapted from the Malcolm Baldrige Criterion for Performance Excellence and initiated it in the eastern region of India, around Jamshedpur. In the first year, only 12 companies were willing to participate in the business excellence programme. Then the external environment changed, and so did the Group’s focus. The call for internationalisation required companies to meet world standards of performance in their respective businesses. The heightened awareness of the need to ‘internationalise’ or perish brought more companies round to the TBEM approach. Today quality concerns are uppermost in the minds of managers across the Group; and the results are visible.

On the Roll
The success that TBEM has brought has begun to make business excellence an infectious idea. In 2005 there were as many as 42 participating companies / business units, and they had an average score close to 500. The sole winner of the JRD QV Award 2005 was the commercial vehicle business unit, or CVBU, of Tata Motors.

<table>
<thead>
<tr>
<th>Year's</th>
<th>Profit/ Loss After Tax</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>-500.34</td>
<td></td>
</tr>
<tr>
<td>2001-02</td>
<td>-53.73</td>
<td>89.26</td>
</tr>
<tr>
<td>2002-03</td>
<td>300.11</td>
<td>658.55</td>
</tr>
<tr>
<td>2003-04</td>
<td>810.34</td>
<td>170.01</td>
</tr>
<tr>
<td>2004-05</td>
<td>1236.95</td>
<td>52.65</td>
</tr>
<tr>
<td>2005-06</td>
<td>1528.88</td>
<td>23.60</td>
</tr>
<tr>
<td>2006-07</td>
<td>1913.46</td>
<td>25.15</td>
</tr>
<tr>
<td>2007-08</td>
<td>2028.92</td>
<td>6.03</td>
</tr>
</tbody>
</table>
The award-winning achievement of the company that had registered a loss of Rs 500 crore in 2000-01 and there from, the company's performance has soared since then to a Rs 1,236 crore net profit, within the next five years. And there by achieving a 2.5-times top line multiple in five years is not easy for an established company but Tata Motors has done it, as the income figures show. It has simultaneously converted a loss of Rs 500 crore to a hefty net profit of Rs 1,237 crore. It has achieved this when two of the world's three top firms are suffering haemorrhaging losses. Tata Motors has held down manufacturing, personnel and selling expenses and managed to slash financial expenses by more than half. The success saga is quite evident from the above tables that TATA MOTORS has beaten all the projections given by securities analysts who had condemned investing in this scrip. Despite negative growth during the consecutive three years the balance sheet never went into “Red”.

The Year 2008-2009 shows the drastic fall of 50% which is quite evident from the fact that it was a Year of Global melt down with Sub- Prime Crises in US which even lead to the bankruptcy of GM and Chrysler Corporation the bigwigs of US auto Industry

**Conclusion**

This model which played a major role in bringing the companies of TATA folds together and has started yielding results. In the TBEM feedback presentation, assessors from TBEM and mentors play a vital role as the link between the assessors and the company being assessed, leading and guiding with their experience and expertise. From a humble beginning of 12 participating companies and business units – with high performing companies logging an average score of 215 out of 1,000, today, after 18 years, there are 50 participating companies and business units, and their average score is inching towards 500. This is a clear indication that the biggest impetus for adopting TBEM came many chief executives who have begun to understand the vital shift from Product Quality to Total Quality thereby improving their Business Performance and aim towards “Total Business Excellence”
AN ANALYSIS ON CONSUMER BRAND PREFERENCE

*Dr K.Niranjan

* Associate Professor, K L University Business School, Vijayawada.

Abstract

As India is a country known for its diversity different consumers from different parts of the country prefer different brands. The Indian Fast moving consumer goods companies in increasing the overall sales due to importance given by consumers towards fairness. Hence, this paper aims to identify the brand preference of consumers towards fairness creams. The paper also examines the factors influencing consumers in preferring various brands of fairness creams. The data was collected in Visakhapatnam city of Andhra Pradesh, India among 150 survey respondents.

Introduction:

The market size for fairness cream in India was estimated to be Rs.800 crore. The market growth rate ranges between 18-24% on a year-to-year basis. The leading player in the market includes Hindustan Lever Ltd., (HLL’s) ‘fair & Lovely’ with 76 percent of the market share. Other important players like Godrej’s ‘Fairglow’, Emami’s Fair and Handsome, Vicco and Himalaya share the rest of the market share. It has been estimated that males constitute 20 percent of the total sales for fairness creams in India. The existing players are focusing upon improving the quality and ingredients and new players are also invading the Indian market.

As India is a country known for its diversity different bands are used in different parts of the country. The brands which are very successful in northern part of the country may not find a place in South India. Similarly some brands are successful in rural areas and Type II cities whereas not in cities and metros. Hence, this research survey has been conducted in Visakhapatnam city of Andhra Pradesh to identify the brand preference for fairness creams in this locality.

Objectives

- To study the factors influencing brand preference towards fairness creams
- To find out the brand preference for fairness creams

Research Methodology

Primary data has been collected for the research study in Visakhapatnam city of Andhra Pradesh, India. The major reason for choosing Visakhapatnam is its demographic outlook (which includes both educated and uneducated, changing income levels of peoples from different parts of the country particularly from Kerala and Visakhapatnam being considered as one of the important tier II cities of India. The research design involves descriptive style. Consumers of various age groups have been conducted with the research survey. The sample size was 150 and the sampling technique used is convenience sampling. The research instrument used was questionnaire and it comprises both open and close-ended questions. Personal interview has been conducted among the target respondents.

Limitations:

Chances of respondents’ bias are involved in the research. As the research is restricted with Visakhapatnam city of Andhra Pradesh, India the results are not applicable to other parts of the State or country. Limited to number of respondents has been chosen due to time constraint and this could affect the accuracy of result to certain extent.

Analysis and Interpretation

Table No.1 Brand preference and Top of the Mind Awareness (TOMA) for Fairness Creams*

<table>
<thead>
<tr>
<th>Brand Preferred</th>
<th>No of Respondents</th>
<th>% Respondents</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair &amp; Lovely</td>
<td>45</td>
<td>30</td>
<td>1</td>
</tr>
<tr>
<td>Fair Ever</td>
<td>89</td>
<td>59.33</td>
<td>2</td>
</tr>
<tr>
<td>Vicco</td>
<td>3</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>No Marks</td>
<td>2</td>
<td>1.33</td>
<td>4</td>
</tr>
<tr>
<td>Fair &amp; Handsome</td>
<td>1</td>
<td>.67</td>
<td>5</td>
</tr>
<tr>
<td>Others**</td>
<td>10</td>
<td>6.67</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Since Brand Preference and Top of the Mind Awareness results are same both have been included in the same table. Others include ‘Fem’, Godrej’s ‘Fairglow’, Samay’s ‘Fair & Fresh’, All Fair’, Oriflame’s ‘Love A Fair’ and other regional brands.

Interpretation: from the above table it can be inferred that nearly 60 percent of the respondents prefer HLL’s Fair & Lovely’ when comparing with any other brand. Top of the mind awareness is also same for ‘Fair & Lovely’. It can also be inferred that 30 percent of the respondents prefer Cavin Kare’s ‘Fairever’ and are aware of them. Emami’s ‘Fair & Handsome’ has been preferred by very few when comparing with others and the unawareness.

Table No:2  Factors Influencing Brand Preference

<table>
<thead>
<tr>
<th>Factors</th>
<th>No. of Respondents</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairness</td>
<td>69</td>
<td>46</td>
</tr>
<tr>
<td>Sunscreen</td>
<td>42</td>
<td>28</td>
</tr>
<tr>
<td>Fragrance</td>
<td>39</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td></td>
</tr>
</tbody>
</table>

Interpretation:- From the above that 50 percent of the respondents use fairness creams in order to get Fairness ,sunscreen and fragrance.

Table No: 3  Source of Awareness for Fairness Creams

<table>
<thead>
<tr>
<th>Source of Awareness</th>
<th>No. Respondents</th>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends /or relatives</td>
<td>25</td>
<td>16.6</td>
</tr>
<tr>
<td>Family members</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Retailers</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>recommendation</td>
<td>No. of Respondents</td>
<td>% of Respondents</td>
</tr>
<tr>
<td>-------------------</td>
<td>--------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Television Commercials (TVCs)</td>
<td>80</td>
<td>53.3</td>
</tr>
<tr>
<td>Newspaper Ads</td>
<td>20</td>
<td>13.3</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td></td>
</tr>
</tbody>
</table>

Interpretation: From the above table it can be inferred that more than 50 percent of the respondents are aware of fairness creams through Television commercials.

Table No. 4 Classification of fairness Cream Users Based on age

<table>
<thead>
<tr>
<th>Age</th>
<th>No. of Respondents</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 25</td>
<td>45</td>
<td>30</td>
</tr>
<tr>
<td>25-35</td>
<td>64</td>
<td>42.67</td>
</tr>
<tr>
<td>35-45</td>
<td>17</td>
<td>11.33</td>
</tr>
<tr>
<td>More than 45</td>
<td>24</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td></td>
</tr>
</tbody>
</table>

Interpretation: From the above table it can be inferred that most of the respondents who use fairness creams are youngsters as it was clear from the table that 42.67 percent of them belong to the age group of ‘25-35’ and 30 percent of them belong to the age group of ‘Less than 25’.

Table No. 5 Classification of Fairness Cream Users Based on Sex

Interpretation: From the above table it can be inferred that fairness creams are mostly recommended by retailers and family members, with 27% and 20% respectively.
Sex          | No of Respondents | % of Respondents
--------------|-------------------|------------------
Male          | 35                | 57.33            
Female        | 115               | 76.67            
Total         | 150               |                  

**Interpretation:** Both males and females are using fairness creams. From the above table it can be inferred that more than 75 percent of the respondents who use fairness creams were ‘females’.

Table No:6 Classification of Fairness Cream Users Based on Annual Income

<table>
<thead>
<tr>
<th>Annual Income</th>
<th>No. of respondents</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than Rs2 lakhs</td>
<td>108</td>
<td>72%</td>
</tr>
<tr>
<td>Rs.2-4 lakhs</td>
<td>20</td>
<td>13.33</td>
</tr>
<tr>
<td>Rs 4-6 lakhs</td>
<td>22</td>
<td>14.66</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td></td>
</tr>
</tbody>
</table>

**Interpretation:** From the above table it can be inferred that around 72 percent of the fairness cream users have an annual income of less than Rs.2lakh. There is no significant difference in usage of fairness creams above 2 lakhs.

**Findings:**
It has been found out that most of the consumers prefer HLL’s ‘Fair & Lovely’ fairness cream. The awareness level of it was also higher for this brand. Consistent portion of them also prefer Cavin Kare’s ‘Fairever’ and were aware of it. Only very few consumers prefer brands like Vicco, No marks, fair and Handsome and Fair glow. Most of the consumers buy fairness creams in order to get ‘fairness’. TVs play an important role in creating awareness towards various brands of fairness creams.

**Suggestions:**
As the market has been dominated by few players a new entrant or an existing player interested in improving the market share has to focus on ‘fairness’ as HLL’s USP – Fairness in Six weeks has worked better for it. The companies
have to give importance for TVCs as most of the consumers were remembering the ad of Fair & Lovely television ad and the recent Fair ever celebrity advt. Awareness can easily be created with these kinds of celebrity ad appeals.

Conclusion

Fairness creams constitute a consistent proportion of income for the FMCG companies in India. As most of the Indians are very much bothered about their colour complexion the fairness creams enjoy very good market growth rate when compared with other related product categories. As Fair & Lovely’s USP (Unique selling Promotion) has done wonders, other players in the market can also follow their philosophy of ‘fairness’. It is not sufficient if a company has the right product with right quality. It has to be communicated properly to the target audience. Hence, Television commercials which were widely remembered and recognized by Indian consumers for fairness creams can be made use for creating the awareness for various brands of fairness creams.

References:
2. Black, White and various shades of Brown, Man from Penguin India.
3. “Men playing the fairness cream game”, Ratna Bhushan, Times of India.
4. Big brands Big trouble- lessons Learned the Hard Way, Jack Trout, East west Books (Madras)
INNOVATION TO SUSTAIN ECO-FRIENDLY BUSINESS

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Abstract

The world we live in today is facing myriad problems related to economic, natural and environmental sustainability. Overpopulation, bio-degradation, climatic imbalance, over-pollution, toxicity, rapid industrialization and depletion of natural capital and many other negative factors have degraded this beautiful planet of ours and threatened the very existence of mankind or other life forms. Today environmental conservation, business economy and sustainability issues have become global concerns.

Traditional environmental conservation programs had ignored the profit-making motives of business ventures, thus minimizing the attractiveness of such schemes for environmentally-conscious and productivity-oriented entrepreneurs today. Similarly, conventional profit-oriented business practices have disregarded environmental concerns. “Ecofriendly Business – Approaches and Experiences” attempts to reveal how this gap existing between these two conventional approaches can be bridged and how environmental conservation schemes can be combined with profit-making business ventures. Various useful concepts and practices of Ecofriendly businesses that bridge the gap between business and environment. A broad understanding of certain concepts related to sustainable and eco-friendly business practices such as ecopreneurship or ecological entrepreneurship, green technology and productivity, environmental accounting and green reporting, natural capitalism, green marketing and green consumerism, ecotourism, eco-efficiency, eco-friendliness and so on. The application of these principles in different areas of business such as building construction, organic farming, pulp and paper industry, automobile industry, ecotourism industry etc, help to maintain pollution-free eco-friendly environment.

Introduction

Ecofriendly Business Practices provide several examples of eco-friendly business areas being carried out in different industries including eco-tourism, automobile industries & aquaculture, etc. The aquaculture practice integrates aquaculture and hydroponics (plant cultivation in water without soil) in which use of water and waste is substantially reduced. The importance of concepts like eco-efficiency which help an entrepreneur “do more with less” in order to achieve resource efficiency and waste reduction, thus improving quality, improvement of products and services. Another important practice of green entrepreneurship or ecopreneurship, which provides new business opportunities and helps to achieve environmental and business sustainability. Ecopreneurship helps to produce green or eco-friendly products which, reduces environmental negativities during its entire production consumption life-cycle. Consumers would not prefer a product because it is green, but only if it met their needs of convenience, availability, price, quality and performance. Example AgriculturalBioteks, the manufacturer of vermicompost.

Natural Capitalism: ‘Path to Sustainability’ the most important form of capital in the world is natural capital. Industrial capitalism is unnatural and liquidating, but natural capitalism helps to sustain biological engines of the planet, produce the goods and services we need and achieve economic sustainability. “Today we have abundant people and scarce nature.” Natural capitalism is based on certain principles which help companies and communities achieve competitive advantage. These principles include profit from advanced resource and energy efficiency, closing loop and waste elimination, and reinvestment in natural capital. Bio-mimicry is a popular approach in natural capitalism meaning waste elimination by redesigning the economy on biological lines that close the loops of material flow. Another popular concept is restoration, indicating reinvestment in productive natural capital to reverse the planetary destruction. Combining energy efficiency and renewable energy sources help to prevent global climatic change at a profit. The company DuPont declared that by 2010, it will reduce its emissions of carbon dioxide by 65% from 1990 levels, and raise its revenue 6% annually, with energy use keeping constant and making use of a tenth of its energy and quarter of its raw materials from renewable sources.

Sustainable Business Practices: Business for Social Responsibility highlights the meaning, importance and application of the concept of sustainability in business practices. The UN World Commission on Environment and Development describe sustainability as “meeting the needs of the present without compromising the ability of future generations to meet their needs”. Several companies like DuPont, Herman Miller, Patagonia, Unilever, British Petroleum, The Body Shop and so on, have brought a wide range of different and quality product lines to market by applying the principles of sustainability in their product design and manufacturing systems. The specific components of sustainability include pollution prevention, eco-efficiency (doing more with less), green product design, energy efficiency and waste reduction. These components not only provide bottom-line cost savings, but also top-line value creation through the creation of new products, enhanced market share, asset retention, brand image and customer retention, innovation and so on. There are many standards existing for key components of sustainability, but few standards for sustainability as a whole. The Coalition for Environmentally Responsible Economics (CERES), a non profit organization endorses the principles for environmental improvement which include protection of biosphere, sustainable use of natural resources, reduction and disposal of waste, energy conservation, risk reduction, safe products and services, environmental restoration, audits and reports etc. The Global Reporting Initiative (GRI)
reporting guidelines provide direction on reporting principles, content, and performance indicators. The International Chamber of Commerce Business Charter for Sustainable Development provides sixteen principles for sustainable development, some of which include corporate priority, integrated management, process improvement, customer advice, compliance and reporting.

**Ecopreneurship:** The concept of ecopreneurship or ecological entrepreneurship also called enviropreneurship is a market-based approach which includes a wide range of concepts and practices targeted towards achieving social, environmental and community sustainability. Ecopreneurship focuses on identification of business opportunities in the need to solve environmental problems or improve environmental conditions and generate profits by creating eco-friendly products and services. Ecopreneurship bridges environmental conservation with profit-making business ventures. Many organizations consider ecopreneurial movements and green movements as competitive advantage and definitely a corporate strategy, as green consumerism and demand for green products or services are increasing. Ecopreneurship is based on principles such as green technology and green productivity, customer service, eco-efficiency, and integration of three components, namely natural communities, natural resources and business economy. There are many barriers to foster ecopreneurship in organizations; however, some of the measures that can be initiated to foster ecopreneurial practices include eco-oriented corporate culture, environmental commitment, and public and private sector initiatives.

**Organizational Performance and Environmental Consciousness:**

The ‘global carrying capacity’ of the earth is less, as compared to the theoretical carrying capacity and seems to be declining due to continuous environmental degradation and increased consumption of natural resources. The majority of companies included in one study were grouped as environmentally conscious and non-environmental and 10,000 surveys were mailed to responding companies located in various states. The findings of the study pointed that one hundred and one (15.4%) companies were classified as high environmentally conscious. Smaller companies were found to be relatively less environmentally conscious compared to larger companies because of the financial and resource risk involved while investing in environmental strategies. High environmentally conscious firms fared well in several aspects such as market share, productivity, sales volume, and profitability in comparison to the low environmentally conscious firms.

**The Business responsibility for Climate Protection:**

Companies can derive in their efforts to protect the environment. Companies that reduce green house gas (GHG) emissions, in the context of a corporate sustainability strategy can be benefited in several ways from their shareholders in addition to their contribution to global climate protection. CEOs surveyed by the World Economic Forum stated “The greatest challenge facing the world at the beginning of the 21st century and the issue where business could most effectively adopt a leadership role is climate change”. The world’s industrial nations ratified the Kyoto Protocol to reduce the emissions of greenhouse gases. The Chicago Climate Exchange (CCX) carbon trading mechanism provides companies and other organizations emitting GHGs the opportunity to reduce their emissions and sell greater reductions in emissions. In August 2006, California became the first state in the US to impose mandatory limits on greenhouse gas emissions, requiring 25% reduction in greenhouse gases by 2020. Renewable and sustainable technologies such as wind energy are a cheaper source compared to conventional supply and help to solve the environmental problems.

**Measuring Sustainability, Green Reporting and the Role of Environmental Audit:**

“Environmental accounting” and “green reporting”. These areas have become a major area of research in the corporate as well as the academic world. The article brings out the concept of ‘weak and strong sustainability’; ‘weak sustainability’ states that total wealth should not decrease over time and ‘strong sustainability’ suggests the conservation of natural resources aimed at prudently managing a portfolio of assets over time. A good environmental auditing program is an excellent means for minimizing environmental risk and assuring outsiders regarding information related to environmental activities that are included in or are part of the usual financial statements. Green accomplishments, competitive advantage, and financial impact of environmental audit are the key issues of the organization desiring to follow environmental audit program.

**Organic Farming in India:** Organic agriculture is a holistic way of farming. After the initial success of ‘green revolution’, the negative side effects of existing farming practice on soil, biodiversity and human health became clear. The popularity of organic farming practices started growing as people became more aware of positive impact of organic farming in recycling nutrients, increasing soil fertility, bringing crop diversity, helping to maintain eco-balance and bio-control. According to a survey, 23 million hectares of land were used for organic cultivation mostly in Australia, Argentina and Italy. In North America, more than 1.5 million hectares are cultivated organically. The demand for organic food products in the international market is rapidly increasing. Organic produce in India is not
marketed properly. However, many NGOs and other agencies all over the country are making efforts to develop organic agriculture.

**Investment Opportunities:** India is endowed with rich natural resources and has natural vegetation and a range of flora and fauna. It offers great opportunities for the development of industrial units mainly tourism, hydropower, infrastructure, minerals, horticulture and floriculture, education, healthcare, handicrafts and wood-based industries with its available resources and the avenues for development of the economy.

Eco-friendly and agro-based industries are best suited to India. Basically, the traditional industry needs to be restored and maintained. The government policy also aims to promote small scale, cottage, khadi and village industries and handicraft, silk and handloom sectors, assist them in modernization and technological upgradation, provide the necessary common facilities and backward and forward linkages, including product design and marketing support so as to make them globally competitive and remunerative. Experts opine that bio-diversity and development will enable them to derive direct or indirect benefits from forests, wetlands, grasslands and at the same time will provide better employment opportunities and economic enlistment in hilly areas.

**Conclusion:**
Eco-friendly business practices are the only solution to the global problems related to environment and economy. Unless eco-friendly business practices are globally implemented, we cannot anticipate a cleaner and healthier world for today and tomorrow. The environmental scientists have already put forward their nerve-shattering prediction that the world will have to inevitably face the cataclysmic consequences of global warming resulting from environmental negligence and the adverse impact of technological advancements. It is the right time for all of us to question “Is our scientific and technological progress advancing in the right direction and should we not ponder over the negative consequences caused by our own technological advancements?” The environmentalist says that the environmental imbalance can be prevented if precautionary measures are initiated globally by all the segments at the right time.

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RELEVANCE OF TOTAL QUALITY MANAGEMENT (TQM) OR BUSINESS EXCELLENCE STRATEGY IMPLEMENTATION FOR ENTERPRISE RESOURCE PLANNING (ERP) - A CONCEPTUAL STUDY

*Mr.M.Dhadurya Naik
**Mrs.M. Sujatha

Abstract
Organizations worldwide have been exploring ways to improve business practices to gain competitive edge. One of the most important technological innovations of the last decade has been the emergence of ERP solutions. But implementation of ERP is not just a technological challenge. It’s a socio-technological endeavor, which mandates modifying existing applications and redesigning critical business processes to facilitate ERP implementation. Hence, there are organizational and cultural issues, which determine the success of ERP implementation. The main objective of implementing an ERP system is to integrate the organizations business processes and operations for improved business results. Not all organizations have been successful in the ERP implementation. The aim of this paper is to understand the importance of Total Quality Management (TQM) philosophy or Business Excellence Models-Strategy Implementation for ERP Implementation within organizations. There is very little research done where the concept of TQM as a philosophy or Business Excellence strategy implementation, which integrates the concept of ERP implementation. This paper is an attempt to integrate the concept of ERP implementation within a broader perspective of TQM as a part of corporate strategy in an organization. Business Excellence strategy implementation, encompassing the concept of ERP implementation is also discussed. The paper builds upon the foundation on the major research done in the area of TQM or Business Excellence. The concerns and issues for TQM and ERP implementation are discussed. A small case study, of the first company in India to get the coveted Deming Prize based on the integrated Japanese Model for Business Excellence, Sundaram Clayton, is discussed in the paper. The paper attempts to give a holistic perspective of ERP implementation as a part of TQM or Business Excellence Strategy Implementation.

Keywords: Total Quality Management (TQM), Business Excellence Models, Strategy implementation, Enterprise Resource Planning (ERP), Sundaram Clayton.

Introduction
In today’s global competition and economic liberalization, quality has become one of the important factors for achieving competitive advantage. A good quality product or service enables an organization to add and retain customers. Poor quality leads to discontented customers, so the costs of poor quality are not just those of immediate waste or rectification but also the loss of future sales. Technological innovations have diffused geographical boundaries resulting in more informed customers. The business environment has become increasingly complex and the marketplace has changed from local to global. Constant pressure is applied on the management to improve competitiveness by lowering operating cost and improving logistic. Customers are becoming increasingly aware of rising standards, having access to wide range of products and services to choose from. There is an ever-increasing demand for quality product and/or services and this global revolution had forced organizations to invest substantial resources in adopting and implementing total quality management strategies.

Understanding Total Quality Management (TQM)
Total Quality Management has many definitions. Gurus of the total quality management discipline like Deming, Juran, Crosby, Ishikawa and Feigenbaum defined the concept in different ways but still the essence and spirit remained the same. According to Deming, quality is a continuous quality improvement process towards predictable degree of uniformity and dependability. Deming also identified 14 principles of quality management to improve productivity and performance of the organization. Juran defined quality as “fitness for use.” According to him, every person in the organization must be involved in the effort to make products or services that are fit for use. Crosby defines quality as conformance to requirements. His focus has been on zero defects and doing it right the first time. Ishikawa also emphasized importance of total quality control to improve organizational performance. According to him quality does not only mean the quality of product, but also of after sales service, quality of management, the company itself and the human life. Feigenbaum defined total quality as a continuous work processes, starting with customer requirements and ending with customer’s satisfaction. Definitions of quality have changed with the passage of time with changing customer’s needs and requirements. But the essence has more or less been to develop an approach to problem solving, conformation to standards for customer satisfaction. With management functions getting complex, approaches to managing quality in functional areas are becoming difficult. Organizations, which have successfully use TQM principles, have customer and quality embedded in their corporate strategy.
Any organization is a system of interrelated units. For TQM to succeed, all of the components within the organization must be collectively involved. Initially, organizations implemented TQM in the hope that improvement in the shop-floor activities would solve all existing productivity and quality problems. Later, they have realized that TQM is much more than just shop-floor improvements. The definitions of quality incorporate factors like top management commitment, leadership, team work, training and development, rewards and recognition, involvement and empowerment of employees etc. These critical factors are the foundation for transformational orientation to create a sustainable improvement culture for competitive advantage on a continuous basis.

According to Selladurai Raj, TQM interventions or activities must be guided by four change principles, namely work processes, variability, analysis, and continuous improvement. Product design and production processes must be improved; variance must be controlled to ensure high quality; data must be systematically collected and analyzed in a problem-solving cycle; and commitment made to continuous learning by the employees about their work.

Understanding Enterprise Resource Planning (ERP)

Organizations have been using technology to serve customers in a better way. Enterprise Resource Planning (ERP) is one such concept, which encompasses social and technological readiness of the organization. It is a business solutions aimed at building strong organizational capabilities for improved performance, better decision-making and competitive advantage.

An enterprise system, by its very nature, imposes its own logic on a company’s strategy, organization, and culture. Despite the benefits that can be achieved from a successful ERP system implementation, there is already evidence of failure in projects related with ERP implementation. These failures often result from the senior management’s lack of understanding of degree of changes involved in the implementation. Implementing an ERP system is a challenging endeavor; the implementation is both complicated and difficult as the product spans functional silos and involves many internal and external entities. Many organizations adopting ERP have serious conflict with their business strategies due to the enormous amount of time, money and effort needed to implement it. It is seen that implementation of ERP often results in delays and cost overruns, if the scope of the implementation is not clearly defined.

There are various factors like business process reengineering (BPR), top management support, stakeholder involvement, open communication etc. for establishing a total quality management (TQM) culture which play important roles in ERP implementation. In the next part of the paper the focus is to identify successful integration sequences of TQM with ERP. This includes an explanation of the relevance of TQM in ERP systems and the role of TQM in problem solving techniques and continuous improvement opportunities for all ERP systems. Also discussed is the effective use of TQM for maximum return on investment from expensive investments.

Total Quality Management Strategy Implementation – Measurement, Analysis and Knowledge Management – Concerns and Issues:

The criteria on performance excellence as given by three popular models, MBNQA, EFQM and the Deming prize, are built on the following set of interrelated core values and concepts.

These values and concepts, described below, are embedded beliefs and behaviors found in high-performing organizations. They are the foundation for integrating key performance and operational requirements within a results-oriented framework that creates a basis for action and feedback. These are visionary leadership, customer-driven excellence, organizational and personal learning, valuing employees and partners, agility, focus on the future, managing for innovation, management by fact, social responsibility, focus on results and creating value, systems perspective Measurement , Analysis and Knowledge Management category of MBNQA 2007 examines how an organisation selects, gathers, analyzes, manages, and improves its data, information, and knowledge assets and how it manages its information technology. The category also examines how an organization reviews and uses reviews to improve its performance.

a. Performance Measurement

How does an organisation select, collect, align, and integrate data and information for tracking daily operations and for tracking overall organizational performance, including progress relative to strategic objectives and action plans. What are the key organizational performance measures, including key short-term and long term financial measures? How its uses the data and information to support organizational decision making and innovation.
How does an organisation select and ensure the effective use of key comparative data and information to support operational and strategic decision making and innovation?
How does an organisation keep their performance measurement system current with business needs and directions. How it ensures that performance measurement system is sensitive to rapid or unexpected organizational or external changes.

b. Performance Analysis, Review, and Improvement

- How does an organisation review organizational performance and capabilities. What analysis does an organisation perform to support these reviews and to ensure that conclusions are valid. How these reviews are used to assess organizational success, competitive performance, and progress relative to strategic objectives and action plans.
- How does an organisation use these reviews to assess the organization’s ability to respond rapidly to changing organizational needs and challenges in your operating environment.
- How does an organisation translate organizational performance review findings into priorities for continuous and breakthrough improvement and into opportunities for innovation? How are these priorities and opportunities deployed to work group and functional-level operations throughout the organization to enable effective effective support for their decision making. When appropriate, how are the priorities and opportunities deployed to suppliers, partners, and collaborators to ensure organizational alignment.
- How does an organisation incorporate the results of organizational performance reviews into the systematic evaluation and improvement of key processes.

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- How does an organisation incorporate the results of organizational performance reviews into the systematic evaluation and improvement of key processes.

c. Management of Information Resources

- How does an organisation make needed data and information available.
- How does an organisation make them accessible to their workforce, suppliers, partners, collaborators, and customers, as appropriate.
- How does an organisation ensure that hardware and software are reliable, secure, and user-friendly?
- In the event of an emergency, how an organisation ensures the continued availability of hardware and software systems and the continued availability of data and information?
- How does an organisation keep its data and information availability mechanisms, including the software and hardware systems, current with business needs and directions and with technological changes in their operating environment?

d. Data, Information, and Knowledge Management

- How does an organisation ensure the following properties of your organizational data, information, and knowledge: accuracy, integrity and reliability, timeliness, security and confidentiality.
- How does an organisation manage organizational knowledge to accomplish the following:
  - The collection and transfer of workforce knowledge.
  - The transfer of relevant knowledge from and to customers, suppliers, partners, and collaborators.
  - The rapid identification, sharing, and implementation of best practices.
  - The assembly and transfer of relevant knowledge for use in your strategic planning process.
- (Source: Adapted from Criteria for Performance Excellence, Baldridge National Quality Program – 2007, National Institute of Standards and Technology, USA)
- Research studies have identified various critical success factors (CSFs) or critical factors of success for ERP implementation. This is discussed in the next section of the paper.

Quality Management Excellence Model

Organisations everywhere, of all types and sizes, are under constant pressure to improve their business performance, measure themselves against world class standards and focus their efforts on the customer. The results criteria of the Model are concerned with what the organisation has achieved and is achieving for all its stakeholders. The four results areas are:

- Customer Results - what is the customers’ perception of the organisation and how good are the drivers of customer satisfaction.
- People Results - what are the employees’ perceptions of the organisation and how good are the drivers of employee satisfaction?
- Society Results - how does society and the local community perceive the organisation and what results have been achieved relating to community and environmental concerns? Key Performance Results - what is the organisation achieving in relation to its planned performance.

Each criterion is sub-divided into a number of sub-criteria, giving a total of thirty-two, as illustrated in the following table-1.
### Table 1: Quality Management Excellence Model

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Sub - Criterion</th>
</tr>
</thead>
</table>
| **1 Leadership**           | a Leaders develop the mission, vision & values and are role models of a culture of excellence  
                             b Leaders are personally involved in ensuring the organisation’s management system is developed, implemented & continuously improved  
                             c Leaders are involved with customers, partners & representatives of society  
                             d Leaders motivate, support & recognise the organisation’s people |
| **2 Policy & Strategy**    | a Policy & strategy are based on the present & future needs & expectations of stakeholders  
                             b Policy & strategy are based on information from performance measurement, research, learning & creativity related activities  
                             c Policy & strategy are developed, reviewed & updated  
                             d Policy & strategy are deployed through a framework of key processes  
                             e Policy & strategy are communicated & implemented |
| **3 People**               | a People resources are planned, managed & improved  
                             b People’s knowledge & competencies are identified, developed & sustained  
                             c People are involved & empowered  
                             d People & the organisation have a dialogue  
                             e People are rewarded, recognised & cared for |
| **4 Partnerships & Resources** | a External partnerships are managed  
                             b Finances are managed  
                             c Buildings, equipment & materials are managed  
                             d Technology is managed  
                             e Information & knowledge are managed |
| **5 Processes**            | a Processes are systematically designed & managed  
                             b Processes are improved, as needed, using innovation in order to fully satisfy & generate increasing value for customers & other stakeholders  
                             c Products & services are designed & developed based on customer needs & expectations  
                             d Products & services are produced, delivered & serviced  
                             e Customer relationships are managed & enhanced |
| **6 Customer Results**     | a Perception measures  
                             b Performance indicators |
| **7 People Results**       | a Perception measures  
                             b Performance indicators |
| **8 Society Results**      | a Perception measures  
                             b Performance indicators |
| **9 Key Performance Results** | a Key performance outcomes (lag)  
                             b Key performance indicators (lead) |

Source: www.dti.gov.uk/quality/excellence page 1 of 3

**ERP-Implementation Challenges & Issues**

CSFs can be viewed as few key areas where things must go right for the ERP implementation to be successful. The paper looks at these factors and discusses how adoption of TQM principles and Business Excellence Models result in the creation of improved processes, practices and capacities.

**7 Common Challenges Faced in ERP Implementation**

Challenges in implementing ERP solutions are quite normal. Though it is not completely a technical job, a lot of planning and proper communication is very much essential to implement ERP across the organization. Below are the 7 common challenges we have noticed companies experience, when ERP is implemented, as illustrated in the following table-2.
## Table 2: 7 Common Challenges Faced in ERP Implementation

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation is done in stages</td>
<td>Trying to implement everything at once will lead to a lot of confusion and chaos.</td>
</tr>
<tr>
<td>Appropriate training is very essential</td>
<td>The during and after the implementation. The staff should be comfortable in using the application or else, it will backfire, with redundant work and functional inefficiencies.</td>
</tr>
<tr>
<td>Lack of proper analysis of requirements</td>
<td>It will lead to non-availability of certain essential functionalities. This might affect the operations in the long run and reduce the productivity and profitability.</td>
</tr>
<tr>
<td>Lack of Support from Senior Management</td>
<td>It will lead to unnecessary frustrations in work place. Also, it will cause delay in operations and ineffective decisions. So, it is essential to ensure that the Senior Management supports the transformation.</td>
</tr>
<tr>
<td>Compatibility Issues with ERP Modules</td>
<td>the lead to issues in integration of modules. Companies associate different vendors to implement different ERP modules, based on their competency. It is very essential that there is a way to handle compatibility issues.</td>
</tr>
<tr>
<td>Cost Overheads</td>
<td>It will result, if requirements are not properly discussed and decided during the planning phase. So, before execution, a detailed plan with a complete breakdown of requirements should be worked out.</td>
</tr>
<tr>
<td>Investment in Infrastructure</td>
<td>It is very essential. ERP applications modules will require good processing speed and adequate storage. Not allocating suitable budget for infrastructure will result in reduced application speed and other software issues. Hardware and Software Security is also equally important.</td>
</tr>
</tbody>
</table>

These are certain operates in, the extent of complications may vary. So, it is very essential to bring onboard, an expert team of generic challenges while implementing ERP solutions. Depending on the sector in which the company consultants. This will ensure the implementation process is smooth without any glitches.

**Critical Issues Affecting an ERP Implementation**

Implementing an ERP causes massive change that needs to be carefully managed to reap the benefits of an ERP solution. Critical issues that must be carefully considered to ensure successful implementation include commitment from top management, reengineering of the existing processes, integration of the ERP with other business information systems, selection and management of consultants and employees, and training of employees on the new system.

THE ENTERPRISE RESOURCE planning (ERP) software market is one of the fastest growing markets in the software industry. It has seen a rocky start with several project failures and a huge shortage of skilled and experienced workers. The ERP market is predicted to grow from a current $15 billion to a gigantic $50 billion in the next five years. The estimated long-term growth rates for ERP solutions are a stratospheric 36 percent to 40 percent. Some
estimates put the eventual size of this market at $1 trillion. Recently major ERP vendors such as SAP AG, Baan, and Oracle have reported significant financial results. Contributing to this phenomenal growth is the estimation that 70 percent of the Fortune 1000 firms have or will soon install ERP systems and the initiatives by ERP vendors to move into medium to small tier industries with gross revenues less than $250 million. ERP vendors are aggressively cutting deals with these industries to make their products more affordable. For example, SAP, one of the leading ERP vendors, recently started selling its products to customers in the $150 million to $400 million revenue range.

Companies could spend hundreds of millions of dollars and many years implementing ERP solutions in their organizations. Once an ERP system is implemented, going back is extremely difficult; it is too expensive to undo the changes ERP brings into a company. There are several failed ERP attempts, and companies lost not only the capital invested in ERP packages and millions paid to outside consultants, but also a major portion of their business. Recently Unisource Worldwide, Inc., a $7 billion distributor of paper products, wrote off $168 million in costs related to an abandoned nationwide implementation of SAP software.(n12) FoxMeyer Drug, a former $5 billion drug distributor, went bankrupt in 1996 and has filed a $500 million lawsuit against SAP. FoxMeyer charged the ERP giant that its package was a “significant factor” that led the firm into financial ruin.(n14) Dell Computer Corp. has recently abandoned a much-publicized SAP implementation following months of delay and cost overruns. Dow Chemical, after spending half a billion dollars over seven years of implementing SAP R/2, the mainframe version, now has decided to start all over again on the new client/server version (R/3). Implementing an ERP system is a careful exercise in strategic thinking, precision planning, and negotiations with departments and divisions. It is important for companies to be aware of certain critical issues before implementing any ERP package. Careful consideration of these factors will ensure a smooth rollout and realization of full benefits of the ERP solution.

Conclusion
An attempt has been made through this exploratory research to emphasize the relevance of TQM or Business Excellence Strategy implementation for facilitation of ERP integration of several implementation. Organizations can realize the full benefits of TQM through successful improvement activities, each of which addresses a key element of the TQM philosophy. These organizations share several common characteristics or develop common elements of management, which enable them to realize the true potential of TQM over a longer period.

TQM brings problem solving techniques and continuous improvement opportunities, which facilitate implementation of ERP systems. The effective use of TQM helps companies obtain the maximum return on investment. Therefore organizations adopting TQM philosophies in the true spirit of understanding the TQM philosophy as part of their corporate strategy and applying any model for Business Excellence for TQM Strategy implementation will result in reducing the cost of ERP implementation and will give a solid foundation of required enhanced human capacities and capabilities, conducive organizational culture, optimal utilization of all resources and improved processes. This will facilitate the change and transformation in an organization and enable them to move towards Business Excellence. For those businesses that have not yet started applying the TQM philosophy as part of their corporate strategy, need to integrate ERP implementation as part of their TQM Strategy for moving towards Business excellence to gain competitive advantage.

References
"QUALITY OF WORK LIFE” AS A TOOL TO “SUSTAINABLE BUSINESS PRACTICE” AN EMPIRICAL STUDY IN AMARA RAJA BATTERIES LTD, TIRUPATHI

*Ms. P. Revathi
**Mr. V. Nagaraja

Abstract

The success of any organization is highly dependent and how it attracts, recruits, motivates and retains its workforce. Today organization needs to be more flexible so that they are equipped their workforce and enjoy their commitment. Therefore organizations are required to adopt a strategy to improve the employees ‘Quality of Work Life’. To satisfy both the organizational objectives and employees needs. One of the ways to accomplishing Quality of Work Life is through job design.

The present study relates to the Quality of Work Life of the employees working at Amara Raja batteries Ltd., Tirupathi. The study is empirical in nature. The main objective of the study is, to know the effect of Quality of Work Life on Sustainable Business Practice, and hence the primary data has been gathered by distributing structured questionnaire to 150 respondents (employees). Likert’s five-point scale has been used to measure the Quality of Work Life in terms of opportunity of growth and security, pay and compensation, Medical facilities, skills and abilities, promotion policy, training facilities, relationship with superior, grievance mechanism, individual contribution/ or group contribution, social integration, right person for the right job, suggestion schemes, recognition and rewards, and social gatherings etc. The respondents were picked randomly by using convenience sampling method. The data was analysed by applying statistical tools like simple percentage, weighted average and chi-square techniques.

Key words: commitment, quality of work life, strategy.

Introduction

Successful Businesses Are Sustainable Businesses: Defining sustainability

Sustainability is about meeting the needs of today, without adversely impacting on the needs of tomorrow. In fact, the key messages of sustainability actually tie in with what are generally considered to be ‘sound’ business practices, such as building efficiency, minimising waste and maximising resources this can be achieved by proper management of employees.

Human Resource

Human Resource is the most vital resource for any organization. Employees should be managed properly and motivated by providing best pay and compensation as per the industry standards. The entire work environment should be made favorable as well as satisfying to the needs of employees. Employees’ satisfaction level depends upon the quality of work environment, which is said to be “Quality of Work Life”.

Quality of Work Life:

Quality of Working Life is not a unitary concept, but has been seen as incorporating a hierarchy of perspectives that not only include work-based factors such as job satisfaction, satisfaction with pay and relationships with work colleagues, but also factors that broadly reflect life satisfaction and general feelings of well-being. More recently, work-related stress and the relationship between work and non-work life domains have also been identified as factors that should conceptually be included in Quality of Working Life.

Quality of Work Life is becoming an increasingly popular concept in recent times. It basically talks about the methods in which an organisation can ensure the holistic well-being of an employee instead of just focusing on work-related aspects.

Benefits of the Quality of Work Life:

- Growth of the individual.
- Self-actualization of the individual.
- Better employee performance for the organization.
- Organization gets intrinsically motivated employees.
- Less absenteeism, turnover and grievances for the organization.
- Full use of human resource for society.
- Quality of Work Life shows the effectiveness of the employees’ interpersonal skills, career counseling.

Through the adoption of the Quality of Work Life both the organization and employees are benefited.
The present study relates to the Quality of Work Life of the employees working at Amara Raja batteries ltd., Tirupathi.

Amara Raja Batteries Ltd is the largest manufacturer of Standby Valve Regulated Lead Acid (VRLA) batteries in the Indian Ocean Rim comprising the area ranging from Africa and the Middle East to South East Asia. They are in the business of Industrial Battery, Automobile Battery and Power System. The manufacturing facility is located at Tirupathi in Andhra Pradesh. The company is the largest supplier of stand-by power systems, attiring to Indian utilities such as, Departments of Telecommunication, Indian Railways, Power Generation Stations, MTNL, VSNL, ITI and HTL. They are also having prestigious automotive clients including Ford, GM, Daimler Chrysler, Ashok Leyland, TELCO, and Mahindra & Mahindra.

Amara Raja Batteries Limited has executed and proved the viability of highly successful manufacturing industry in a non conventional location. Today it has become a bench mark and model for programs being initiated by bodies such as the Confederation of Indian Industry (CII) for creation of non-migratory jobs. The company’s presence in a highly challenged region has had major positive impacts on the social, health, education, and environment areas in the region. All these achievements of Amara Raja Batteries Limited can be primarily attributed to the leadership provided by Jayadev Galla.

The HR practices implementing at Amara raja Batteries ltd, Tirupathi includes Quality of Work Life in terms of opportunity of growth and security, pay and compensation, Medical facilities, skills and abilities, promotion policy, training facilities, relationship with superior, grievance mechanism, individual contribution/ or group contribution, social integration, right person for the right job, suggestion schemes, recognition and rewards, and social gatherings etc.

STATEMENT OF THE PROBLEM

How organizations are paving the way for their sustainable business practice by effectively handling their human resources by providing a favorable working environment and attending to their workers needs to ensure Quality of Work Life.

RESEARCH METHODOLOGY

The study is empirical in nature. The main aim of this study is to evaluate the elements of the Quality of Work Life of the employees of Amara raja Batteries Ltd., Tirupathi.

Data collection:

In dealing with any problem it is often found that data at hand are inadequate, and there fore it becomes necessary to collect data that are appropriate. There are several ways of collecting the appropriate data, which differ considerably in context of time and other resources. Here for the purpose of the study two kinds of data has been used.

1. Primary data
2. secondary data

Primary data

The primary data are those, which are collected afresh for the first time, and happens to be original in character, with reference to this study, data is collected through,

- questionnaire method
- interview method

Questionnaire method: Data is collected by distributing questionnaire to employees at all levels. Questionnaire is a structured one consisting of questions, which are close, ended having fixed response pattern with Likert’s five-point scale and multiple answers.

Interview method: the study also includes obtaining data from employees. This interview is an informal or unstructured one with competent and articulate employees.

Secondary data

The secondary data are those that are already available, i.e. they refer the data, which have already been collected and analyzed by someone else. Secondary data is collected from the company catalogues, journals and books.

Sample:
The sample size taken for the survey includes 150 employees. The sample is selected randomly by using convenience sampling method from all levels of the employees working at Amara raja batteries ltd., Tirupathi.

**Tools applied:**
Simple percentage, Weighted average and Chi-Square methods are used for data analysis.

**Representation of Results:**
Bar diagrams are used for representation of results.

**SCOPE OF THE STUDY**
The study with the prime objective of ascertaining of the employees towards the Quality of Work Life program, which are required to perform their jobs effectively, which leads to Sustainable Business Practice.

**LIMITATIONS OF THE STUDY:**
1. The research work is confined to the study of quality of work life of the employees of Amara raja Batteries ltd., Tirupathi only.
2. The data is collected through convenience sampling method so; the findings of the survey should not be generalized at industry level.
3. The findings may remain biased in nature as per the values, ethics and competencies of the respondents.

**DATA ANALYSIS AND DISCUSSION:**

A. Level of satisfaction towards pay and compensation:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Opinions</th>
<th>Frequency</th>
<th>Per Cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Highly Satisfied</td>
<td>46</td>
<td>31</td>
</tr>
<tr>
<td>2</td>
<td>Satisfied</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>Neutral</td>
<td>41</td>
<td>27</td>
</tr>
<tr>
<td>4</td>
<td>Dissatisfied</td>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td>5</td>
<td>Highly dissatisfied</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

Table-1 infers that, 31 per cent of the respondents were highly satisfied, 20 per cent of the respondents were satisfied, 27 per cent of the respondents were neither satisfied nor dissatisfied, 12 per cent and 10 per cent of the respondents were dissatisfied and highly dissatisfied respectively towards their pay and compensation.

B. Medical facilities provided by the company:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Opinions</th>
<th>Frequency</th>
<th>Per Cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Twice in a year</td>
<td>68</td>
<td>45</td>
</tr>
<tr>
<td>2</td>
<td>Once in a year</td>
<td>72</td>
<td>48</td>
</tr>
<tr>
<td>3</td>
<td>Never</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

Table-2
Table-2 infers that, 45 per cent of the respondents said that, the company provides medical facilities twice in a year, 48 per cent of the respondents said that, the company provides medical facilities once in a year, and 7 per cent of them replied that, the company never provides medical facilities.

3. Relationship with superior:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Opinions</th>
<th>Frequency</th>
<th>Per Cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Excellent</td>
<td>42</td>
<td>28</td>
</tr>
<tr>
<td>2</td>
<td>Good</td>
<td>28</td>
<td>19</td>
</tr>
<tr>
<td>3</td>
<td>Average</td>
<td>36</td>
<td>24</td>
</tr>
<tr>
<td>4</td>
<td>Poor</td>
<td>25</td>
<td>17</td>
</tr>
<tr>
<td>5</td>
<td>Very poor</td>
<td>19</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

From the Table-3 it is clear that, 28 per cent of the respondents have excellent, 19 per cent of the respondents have good, 24 per cent of the respondents have average, 17 per cent of the respondents have poor, 12 per cent of the respondents have very poor relationship with their superiors respectively.

4. Open door policy / suggestions from employees:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Opinions</th>
<th>Frequency</th>
<th>Per Cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Always</td>
<td>41</td>
<td>27</td>
</tr>
<tr>
<td>2</td>
<td>Sometimes</td>
<td>72</td>
<td>48</td>
</tr>
<tr>
<td>3</td>
<td>Never</td>
<td>37</td>
<td>25</td>
</tr>
</tbody>
</table>
Table-4 shows that, 27 per cent of the respondents felt that the company have always open door policy, 48 per cent of the respondents felt that the company have sometimes open door policy, and 25 per cent of the respondents felt that the company never have open door policy.

5. Elements of work life, influencing Sustainable Business Practice:

Table-5 infers that, the respondents ranked work life elements as, 1st pay & compensation, 2nd recognition & rewards, 3rd promotion policy, 4th medical facilities, 5th relationship with superiors, 6th training facilities and 7th as suggestion schemes.

Hypothesis test:

Null Hypothesis (H₀): There is significant relationship between Quality of Work Life and Sustainable Business Practice.

Condition: If Chi-Square calculated value is greater than, Chi-Square Tabulated value, then, Null Hypothesis can be rejected.

\[ \chi^2 \text{calculated Value} = \sum \frac{(O-E)^2}{E} \]

Table-6
### Note:
*SBP* - Sustainable Business Practice  
*QWL* - Quality of Work Life

χ² calculated Value = 17.1905  
df = (R - 1) * (C - 1) = 5-1 * 5-1 = 4 * 4 = 16

At 5% level of significance for 16 df Chi-Square tabulated value is, 26.3.

**Result:** The Chi-Square calculated value is not greater than the Chi-Square tabulated value. So, null hypothesis cannot be rejected, and concluded that, there is significant relationship between Quality of Work Life and Sustainable Business Practice.

**Conclusion**

Human Resource is the most vital resource for any organization to ensure Quality of Work Life. It is responsible for each and every decision taken, each and every work done and each and every result. Employees should be managed properly and motivated by providing best remuneration and compensation as per the industry standards. The entire work environment should be made favorable as well as satisfying the needs of employees for achieving Sustainable Business Practice.

**Reference**

7. [www.ehow.com](http://www.ehow.com)
A STUDY ON INDIA’S BUSINESS RELATIONS WITH SOUTH ASIAN COUNTRIES

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Abstract
This study investigates the role of India’s economy in explaining the observed growth in South Asia, taking into consideration other sources of growth endogenous to the countries in the region. Since a review of key variables indicates that India’s bilateral trade and financial linkages with South Asian countries (SAC) are relatively weak, the paper analyses the spillover effects by focusing on growth more generally with India’s growth as an explanatory variable. The results of the panel growth regressions suggest that India’s growth has good explanatory power for growth in other SAC after 1995.

Keywords: Spillovers, growth linkages, exogenous shocks, regional integration, and South Asia.

Introduction
Since the mid 1990s, the size of the Indian economy has increased nearly twenty-fold in U.S. dollar terms. Real GDP growth averaged 5 percent annually, poverty reduction has been significant, and living conditions have improved in a variety of dimensions — such as life expectancy, infant mortality and years of schooling. At the same time, India’s share in global exports has more than doubled.

In an interdependent world, changes in economic performance in one country could manifest in countries with which it is highly integrated as positive spillovers or adverse exogenous shocks. Various studies have identified trade, financial flows, human capital and terms of trade as key channels through which this takes place. Demand for imports, inputs and final products affect partner countries’ supply of exports and real incomes through the trade channel. Increased demand for imports from partner countries impacts positively domestic production, while higher partner countries’ exports could worsen current account dynamics, and lower the competitiveness of domestically produced competing goods, which could feedback into investment and consumption decisions. Integrated stock markets and cross border financial services often provide a wider pool for the intermediation of financial resources and greater depth to financial markets, and could also be sources of contagion. Access to education and health services in more developed economies could contribute to human capital development and skills accumulation, which feed into higher growth rates. In addition, growth spillovers and exogenous shocks could be transmitted through changes in factor productivity and business confidence from neighboring countries.

Studies have indicated that when a major economy coexists side by side with smaller countries, spillover effects of the major economy’s growth on the smaller economies is often high. Given India’s rapid growth and the size of its economy relative to those of its South Asian neighbors, a strong positive spillover effect could manifest in higher growth for countries in the region. India’s strong performance as a supply chain for the service sector of advanced economy markets is well researched; but there is little or no research into how India’s growth affects the growth of its immediate neighbors. The objective of this paper is to analyze the spillover effects of India’s growth to other South Asian countries (SAC).

The empirical studies have proven that overall, India’s growth has good explanatory power for growth in SAC after 1995, controlling for other sources of growth endogenous to the countries such as human capital, the size of the government, inflation, and other trading partners’ growth. The growth spillovers from India are likely to be transmitted through a combination of different channels.

India’s Growth: Stylized Facts
The Indian economy was until the early 1990s a closed economy with low international trade, high tariff and non tariff barriers, and a tightly controlled capital account. As Kochhar et al (2006) explained, the focus of economic policy was on self sufficiency. Though deregulation began in the 1980s, the stage for India’s integration into the world economy was set in 1991 when major reforms were initiated after a severe balance of payments crisis. The reforms included a unified exchange rate system, lowering of tariffs across the board, and substantial reductions in regulation of, and restrictions on, trade. The results of the liberalization were a large increase in exports, imports, and foreign direct investment (FDI), with external debt declining and foreign reserves recording strong improvements.

Exports growth doubled in the first ten years after the reform, from an annual growth of around 11.4 percent average during 1995–2000, to 25 percent by 2006. Services exports, especially software and information technology (IT), also grew rapidly. Exports of goods and services now account for around 22 percent of India’s GDP, up from around 8 percent at the eve of the reforms. Imports have also grown remarkably, reflecting India’s growing integration with the global economy. The destination and source of India’s trade have also become more diverse.

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since the mid 1990s. While in the early part of India’s transformation Europe and other advanced economies accounted for a large share of India’s trade, in the past decade the share of trade with Asia, Africa and the Middle East has grown significantly, surpassing that of the advanced economies. At the beginning of India’s transformation, the key contributors to export growth were food and beverage categories, but twenty years later India’s exports are led by services. India’s exports of IT have grown consistently above the global average since 2000, and the share of services in India’s exports has been much higher than in most comparator countries. Between 1995 and 2013, India’s share of services exports in world trade more than quadrupled, while goods exports only doubled (Anand et al). These contrasts with the rest of Asia where the market share of goods exports is higher than services and market share gains in services are not rising as fast.

Nevertheless, while India has made progress also in merchandise exports, it still exports less than other Asian countries like China and ASEAN-4. Though strong growth since 1995 has translated into a doubling of India’s exports to developing Asia, its 1.7 percent share is still small compared to China (7.1 percent) and ASEAN-4 (8.7 percent). One explanation for the small share of India in world and regional trade is that despite the reforms and trade liberalization, the economy is not as open. India has never been as aggressive as East Asian in attracting foreign investors and facilitating their operations through one-stop shops, tax incentives, outright grants, and concierge-level services. In addition, trade restrictiveness is higher when compared to regional partners. Assuming that high tariff is an indicator of restrictiveness, a comparison of import duty (as a share of goods imported) in India, China and other regions confirms that tariff walls are still high in India. Nontariff barriers also appear to be higher in India and SAC compared to other emerging economies in Asia (Panagariya 1999). The strengthening of India’s financial linkages with the external world was also a major focus of the reforms. First, the liberalization of some parts of the capital account – mostly equity flows – encouraged foreign investment and reduced reliance on short-term debt creating flows. Outflows, especially those linked to initial inflows by Non Resident Indians, were liberalized. As a result, FDI and equity portfolio flows increased significantly as a share of GDP between 1995 and 2010.

External debt decreased and foreign reserves increased substantially during the period, and the domestic financial system witnessed a strong transformation. Prior to the reforms, most banks were largely state owned with little equity capital. Banks, pension funds, and insurance companies were forced to buy government bonds as their primary investments. With financial sector reforms, barriers to entry were relaxed, and financially repressive policies were gradually eased. The result was increased financial deepening, though the system is still dominated by publicly owned financial institutions. Given greater openness, stronger growth, and better integration into the world economy, India’s growth should start to have significant spillover effects on neighboring countries, which compared to India are relatively small economies. As India’s exports and imports expand, and its financial flows become more diversified, both positive and negative economic shocks to the economy should, other things being equal, be readily transmitted to its trading partners, with the speed and magnitude of transmission depending on the strength of the economic linkages.

INDIA’S ECONOMIC LINKAGES TO SOUTH ASIA

Many South Asian countries share a common history and culture, and until 1947 the three largest – India, Pakistan and Bangladesh – had a common market with integrated monetary and communication systems. Though the economies share similar developmental challenges, India’s economy is disproportionately larger than its neighbors. Currently, India accounts for about 80 percent of the region’s GDP, Pakistan accounts for about 10 percent, Bangladesh 6 percent, Sri Lanka 2 percent, and the rest less than 2 percent.

Economic growth in the region accelerated since the late 1990s, a period that coincides with the opening up of the Indian economy. On average, the rate of growth of real per capita GDP rose from 3.5 percent in 1990–1995 to 4.5 percent in 2005–2009. This was the case even though Afghanistan, Nepal and Sri Lanka faced considerable political challenges that likely negatively affected macroeconomic performance for part of the period under study. India’s granting of duty-free access to goods from five SAARC countries in November 2011 is expected to strengthen intraregional links and there is a framework agreement to reduce custom duties of all traded goods to zero by 2016. Unlike some regional powers such as South Africa, India does not operate an economic union with its neighbors. For the smaller economies like Bhutan and Nepal, India is the single-largest trading partner, and a fixed peg with the Indian rupee provides a source of stability and has helped anchor inflation. For Bangladesh, trade with India as a share of total trade remains around 10 percent since mid-1990s; while Sri Lanka’s trade with India has picked up following a bilateral trade agreement, with exports to India quadrupling since the full implementation of the agreement in 2000. The recent increase in Maldives’s trade with India was boosted by increasing demand for tourism, with India supplying round 3 percent of tourists. While in the past political differences hindered the development of formal economic links between Pakistan and India, it is widely believed that unofficial trade between the two countries is sizeable. Trade between the two largest economies in the region is expected to accelerate going forward, given that Pakistan recently granted most favored nation (MFN) status to India. India’s official financial flows,
especially to the smaller economies, are key transmission channels for spillover effects to the region. More than 70 percent of Bhutan’s budgetary grants are from the Government of India, and almost all (98 percent) of Bhutan’s external debt is owed to India and serviced automatically from the proceeds of joint venture hydroelectric power receipts. In Maldives, loans from India account for about 20 percent of external debt outstanding, and the State Bank of India is the second largest bank operating in Maldives. In Afghanistan, India recently committed to US$ 650–750 million (about 4 percent of GDP) in aid through direct and indirect budget support. In 2010, EXIM Bank of India extended a line of credit of $1 billion to the Government of Bangladesh for financing eligible goods and services, including project exports and consultancy services. While these flows allow these countries to bridge the gap between domestic savings and investment, enabling higher levels of consumption, they could also make the economies susceptible to adverse developments in India. Although bilateral financial flow data are not available on a systematic basis, private sector financial flows in South Asia seem to be low. Using firm-level data, Kumar (2008) shows that outward foreign direct investment (FDI) from selected Indian enterprises to South Asia averaged about $20 million a year in 2002–2006, less than 1 percent of the total FDI outflows included in the sample. If this percentage is applied to India’s aggregate FDI outflows, India’s FDI to SAC would account for less than 4 percent of the total FDI inflows received by SAC. However, there are signs that intraregional FDI is now on the increase, as some of India’s major corporations are expanding their regional investments, taking advantage of a relatively good business environment in some of the countries of the region. Tata Inc., for example, has, after a failed attempt in 2004, reopened discussions with Bangladesh on investment in the country’s telecoms, power and automobile sectors. In Maldives, Indian foreign direct investment is being deployed to the expansion and modernization of the Malé airport. In recent times, the main driver of India’s foray to neighboring SAC is its energy requirement. In Bhutan, the key linkage in the real sector comes from hydroelectric power projects, jointly being developed using grants and loans from India. The power projects are providing a surge in export earnings for Bhutan while helping supply critical power to India and over the years should bring strong growth dividends to both countries. In Bangladesh, India is jointly developing thermal power generation facilities, and an electricity transmission interconnection project is planned to link the electricity grids of the two countries, with India expected to supply at least 250 MW of power to Bangladesh. To facilitate trade, Bangladesh would allow the use of its sea ports for the movement of goods to and from India by road and rail. In Afghanistan, India is constructing a major road in a remote area, and further development and cooperation are being channelled through rebuilding of air links and power plants. Remittances provide another channel through which India’s growth may affect growth in SAC. Although not recorded by official data, it is believed both Nepal and Bangladesh have a sizable number of emigrants in India. Their remittances are important in financing domestic consumption and moderating the impact of exogenous shocks. On the other hand, Indian migrant workers constitute a large proportion of the expatriate labor force in Bhutan and Maldives, especially in the construction sector. India’s contribution to human capital development in South Asia is mainly through education and health. It has long been a destination for higher education in the region. From 1992 to 2007, the number of SAC students studying in India’s universities has more than doubled to almost 5000 (Dongaonkar and Negi 2009). Both officially and through private sector driven initiatives, India is investing in health and education sectors in other countries. India is also assisting to train Afghan civil servants, diplomats and police, while in Bangladesh and Bhutan it is providing technical assistance for the implementation of power projects.

**Literature Review**

Various studies have attempted to explain the relatively modest level of trade and regional integration in South Asia. One reason often adduced is that the countries share some basic similarities—low income, relatively abundant labor, and comparative advantage in similar commodities, thus reducing the potential for comparative advantage driven trade. However, this alone does not explain why the smaller countries have not been transformed into an Indian supply chain by creating “niche” sectors to take advantage of India’s growth. Some other findings include:

- **Infrastructural constraints and institutional restrictions.** Wilson and Ostuki (2005) find that delays in transit due to road or port congestion, and customs procedures (non-tariff barriers) raise the costs for exporters. Their study indicates that an improvement in South Asia’s infrastructure to around 50 percent of East Asia’s could improve intraregional trade by about 60 percent.

- **High levels of overall protection.** The average weighted tariff is relatively high, relative to the world average. India is less open in terms of weighted average applied tariff rate than Sri Lanka, Pakistan or Nepal, implying that the protection imposed by the largest economy could have reduced the region’s trade.

- **Challenging business environment.** South Asia ranks second last among regions across the world in terms of ease of trading across borders due mainly to procedural delays stemming from institutional requirements. In 2011, India is ranked 100th “Ease of trading across borders” compared to China’s rank of 50th in the world. India’s poor rank relative to other emerging countries reflects the large number of documents required by exporters and importers, the time delays in exports and imports, and the high costs per container.
Restrictive rules of origin and destination. Countries often specify restrictive rules of origin, which raise the transactions costs of trading across borders. Due to inadequate administrative capacity to curb illegal flows, SAARC members specify the port of entry for certain products, which may have curbed trade.

Limited revealed comparative advantage. South Asian economies have similar patterns of revealed comparative advantage in a relatively low range of products, and bilateral trade structures exhibit low trade complementarities. Kemal (2005) finds that low trade complementarities “reflect in part the barriers that countries have imposed on their trade, which were intended to change the trade pattern away from what would emerge were they to allow their true comparative advantage to emerge”. In contrast, China and ASEAN economies are largely complementary in merchandise trade. As cross-border production networks grow in the China-ASEAN region, intra-industry trade has come to account for a large share of intraregional trade, reflected by the dominance of trade in materials, parts and components.

Substantial informal or illegal trade. Bilateral unofficial trade of India with Bhutan, Nepal, Pakistan, and Sri Lanka was estimated to be more than their respective official trade in the 1990s (Sawhney and Kumar, 2008). Taking into account the informal trade of the region together with the reported formal trade, the total intra-regional trade was found to be higher by 5 percent. Taneja (2004) estimates that the magnitudes of legal and extra-legal trade between Bangladesh and India are roughly the same; that extra-legal trade is estimated to be nearly one third of the value of legal trade between India and Sri Lanka, and that India’s formal trade with Pakistan is less than 10 percent of their estimated informal trade of USD 2 billion.

Though conventional transmission channels for growth spillovers may indicate low integration between India and SAC, it is still possible that India’s growth is a source of growth in neighboring countries through indirect channels that affect human capital, factor productivity and overall business confidence. Therefore, an analysis that isolates the direct channels of spillover effects may only present a partial picture, while a growth model that explains SAC growth, augmented with an Indian effect, may offer a more robust explanatory tool for assessing the impact of India’s growth on its neighbors. A considerable body of work has examined the spillover effects of economic growth of a wide range of countries to the rest of the world or to specific regions, with most of them focusing on the contribution of common factors to national business cycle fluctuations. Most of these studies identify direct channels of transmission of spillover effects, such as trade, financial flows and changes in the terms of trade, especially through the exchange rate channel.

A relatively new body of work has focused on spillovers from large regional economies to their smaller neighbors. Obiora (2009) finds that there are significant spillover effects from the EU countries and Russia to the Baltic countries, with shocks from trading partners, financial conditions and trade linkages explaining a significant share of the variation in GDP growth. Ilahi and Shendy (2008) find that real GDP growth, private consumption and private investment in the Middle East and North African countries (including Pakistan) are strongly associated with remittances from and the accumulation of financial surpluses in the oil-driven Gulf Cooperation Council (GCC) countries. A concern with these models is that they do not capture well the spillover effects from intangibles such as business sentiments and human capital related linkages, and this is more likely to be an issue where large regional economies coexist with smaller neighbors. For example, Indian education and health services are in demand by other South Asian countries. The impact of this on total factor productivity, which then feeds into overall growth, may be blurred in an analysis that focuses only on trade and investment or other channels of transmission of spillover effects that are currently dominant in the literature. Similarly, positive business confidence, for example, about developments in India, could spur increased performance in neighboring countries, providing an additional fillip for growth. Arora and Vanvakidis (2005) address some of these shortcomings by analyzing growth in the aggregate. They find that South Africa is an engine of growth for the rest of Africa, but that the strong growth correlation cannot be explained through an explicit trade channel alone. An empirical model that embeds the spillover impact of India on SAC in a complete growth model is presented in the next section.

Conclusion

More than twenty years after embarking on a process of economic transformation, India’s economy has grown around twenty fold and has become more integrated into the world economy through trade and financial flows. Over those years, India’s share of world exports of goods and services has more than doubled, and the destination and source of trade have become more diverse. At the same time, FDI and equity portfolio flows increased 30 fold as a share of GDP. Trade and financial flows from India to neighboring SAC have also increased since the mid 1990s, but are relatively low in absolute terms and when compared to developments in other regions. Our empirical analysis suggests that India’s growth is useful in explaining the overall growth in South Asia, but only after 1995. This growth spillover though does not seem to depend on the traditional trade channel, consistent with
the stylized facts on the key trade indicators. Nevertheless, the modest impact in the post reform era indicates that India is able to influence growth in the region. It is likely that India’s growth spillovers are transmitted through a combination of direct and indirect channels in different countries, in which case the panel analysis may not be able to pinpoint a particular channel as being the most important. It is possible that the productivity and efficiency of SAC have been enhanced by increased availability of technical knowhow from India and increases in human capital development. The achievements of India in the post-reform era may also have increased business confidence across the region, and contributed to the implementation of policies that eventually affected SAC’s growth positively. The low level of India’s growth spillover compared to other regional economic powerhouses raises the question of how best SAC can better take advantage of the fast growth in India as a means of accelerating their own growth. Evidence from the Southern African region suggests that enhanced real and financial flows could provide a stronger basis for integration, improving the benefit of growth through the trade and financial channels. Addressing the challenges in infrastructure, business environment and trade restrictions could make a difference. Considering that even with low trade and financial linkages India’s growth spillovers in the region are positive, there is reason to believe that increased intra-South Asia trade and financial linkages could provide stronger outcomes, consistent with what has been obtained in other regions.

References
The Role of CRM in Emerging Business Strategies - A Study on Big Bazaar

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Abstract

One of the major developments within today's business practice is the increasing interest in CRM. Instead of focus on the acquisition of new customers, marketers are moving their attention to retention of customers and the maximization of the customer life time value. The fundamental objective of a CRM program is to reach high customer loyalty levels. Everybody knows the fact that customer loyalty yields higher returns at lesser (or) no costs across the life time of a customer and the lost customers shall be brought back in the form of acquisitions. Every businessman knows that his customers are important to him and he needs to retain them for profits. CRM only gives a structured process-map to achieve this quickly and efficiently. The main thrust of the study is to examine the level of impact of CRM on the brand loyalty of select Retail mall. It is considered important and relevant to know the performance of the select mall and the shopper's opinion on mall. The same could be considered important for suggesting suitable schemes for the mall for getting a better loyalty and Retention Strategies. The use research methods are: scientific analytical methods, interview, desk research, statistical methods. The results indicated that based on detailed analysis of the measurement system the Customer Relationship Management is having a significant impact on the shoppers of Big Bazaar and by embedding CRM in the organizational culture the mall may attract, retain and able to woo the customer.

Keywords: Customer Relationship Management, Brand loyalty, Retail Industry

Introduction

In today’s hyper competitive scenario, the companies are spending much money and time on acquiring and retaining the customers. Customer centricity has become the buzz word and ones with clear and relentless focus on customers, enjoy a better competitive position. The companies are seriously focuses on the concept of “Organization for the customers.” Corporate Image, customer satisfaction, and customer loyalty may help the Companies which are having a direct involvement with the customers to compete in this highly competitive environment. Companies are putting enormous efforts to increase the corporate image and are considering the customer satisfaction and getting loyalty as a key component strategy and a significant determinant of long term viability and success under competitive situation. It is possible only by reading and understanding the customer’s attitude and behaviors. This is required not just once, but regularly and consistently over a life time of the customer and beyond.

To make one organization as customer centric organization, it should concentrate on the “Customer Insight”. All the concepts in the value chain revolves around this. As the end product is customer loyalty, over decades, many Organizations had successfully transformed into Customer Centric Organizations and yield higher returns, where most Organizations failed in their efforts.

Customer insight goes through a set of processes to get converted into customer Loyalty- the finished product. The set of processes include use of machine, process and people to obtain the final outcome-just like a manufacturing process in a factory. The machine here is information technology, Process is the customer made steps based on set objectives, and people are those who are trained to efficiently carry out the conversion process. Technology came to rescue with exclusive methods to compile, preserve and analyze the customer data. The exclusive methods are data mining, data warehousing and database management techniques. Thus CRM was engineered as a tool to manage customer data using IT-enabled techniques.

The fundamental objective of a CRM program is to reach high customer loyalty levels. Those who deciphered the mathematics of customer Lifetime Value (CLV) proposition should be able to appreciate the fact that customer loyalty yields higher returns at lesser or no costs across the lifetime of a customer and the lost customers should be brought back in the form of acquisitions. In the words of Michael Porter in his Fast Company interview he said that “it is incredibly arrogant for a company to believe in deliver the same sort of product that its reveals do and actually do better for very long”. With regard to the retail Industry where human performance factors are critical for success, the buying behavior patterns and changing in a rapid manner, the present study was conducted to examine the impact of shoppers’ behavior on the brand loyalty and of the Mall in greater Hyderabad.

Some of the articles in the literature focused on the customer loyalty through CRM To examine the myriad aspects of the shoppers’ behavior and its impact on Brand loyalty, the present study was designed in broad based manner. The Mall –Big Bazaar has been selected for the study which are showing an excellent performance in sales, profits, and even in attracting the customers in the market. The Mall is enjoying the Hyderabad retail market and implementing their own strategies to attract the customers.
Literature Review

As the total study is surrounded by the three concepts. Customers relationship management, brand equity and retail Management and the customer relationship and Management concepts are new to the Indian market, till now much research is not took place in Indian market. So here the research which is available on these concepts is discussed, and an attempt has been made to bridge the gaps among these concepts.

Mr. Sheth and Panvatiyar (1995), emphasized that on the relationship marketing by stating that, the relationship marketing is going beyond the repeat purchase behaviors and inducements. Webster (1992) pointed out that, “the repeated transactions are only a precursor to relationships, perhaps, agrator and more valuable relationships develops between consumers and marketers when consumers actively get involved in the decision of the company. Jacolo and Kyner (1973) said that, ‘brand loyalty is essentially a relational phenomenon’. Sheth (1982) proved that the store loyalty, person loyalty, process loyalty and other forms of committed behavior is due to relational phenomenon.

According to the Research done by (Aaker, Batra, Myers, 2002), the relationship between attitudes and purchase behaviors gets stronger as consumers get more ‘direct’ information about the brand. Anitha Basalingappa and Ms. Subbas did a research on “Role of customer relationship management in brand attitude formulation and they impact on brand loyalty and proved that ads, post experience and word of mouth are having a strong impact in the brand attitude formulation. The highest influence in brand attitude formulation has been due to ads that get reinforced through the factor word of mouth and past experience. These two are influencing the repeat purchase. Based on their Research, Richard Elliot and Krit Sadant wattanasuwan at oxford university in England states that lived experience with a brand, through purchase and usage oxen life cycle, will tend to dominate the mediated experience of advertising. Therefore, customers become primed by every experience to create none positive memories of earlier brand experiences.

In the Research “What drives customer equity” the authors come with a concept of customer equity” which is critical to a firms long-term success. The brand serves three vital roles. First it acts as a magnet to attract new customers to the firm. Second, it can serve as a reminder to customers about the firms products and services. Finally, it can become the customers emotional tie to the firm. The key actionable levers of brand equity are brand awareness, attitude towards the brand, and corporate Image. In short customer equity often is a powerful new approach to marketing strategy, replacing products based strategy with a competitive strategy approach based on growing the long-term value of the firm.

In the research article “Status of Customer Relationship Management in India-A survey of Service Firms”, Dr.G. Shainesh and Dr.R.Mohan have focused on the service firms as service firms as service firms have been pioneers in adapting the practice of customer relationship management practices. The survey was conducted among the managers belonging to hospitality, IT, Telecom, and financial services to understand the relationship management practices and programs adapted by them Further declared that CRM cannot be solely managed through periodic programs. A holistic approach which leads firms to develop customer centric process, integrate technology though customer oriented approaches, motivate employees to perform to their full potential through empowerment are prerequisites for firms to successfully utilize their customer knowledge for customized or even one to one marketing.

In the article “ Impact of the Service Supply-Demand Mismatches on Relationship Intention and Integrity –A Preliminary Model and Findings”, Mr. M.L.Agrawal and Joby John has tried to link the Supply-demand mismatches to relationship marketing and particularly to relationship intention and integrity. Anchored in the R4 model of relationship marketing deliverables, they hypothesizes the impact of the service supply mismatches on the R4 variables of relationship marketing. They found that there is anegative impact of the service supply demand mismatches on relationship marketing deliverables in services . They concluded that service mismatch leads to revenue lost. And they are losing the customers to the competitors. So they have to cement relationship intention and integrity among their customers even while their services remain fundamentally perishable and mismatches unavoidable.

Mr. Ajit Mathur, in his article “ Building Customer Relationships-The Taj Air Caterers Experience”, focused on the actual experience of Taj Air Caterer, the leading airline catering company in India. Author has described customer Relationships and its dynamics based on his own experience The author took three brief cases, namely, relationships with Singapore Airlines, Virgin Atlantic and GE Capital have been used to illustrated the approach. The author concluded that relationships is a natural corollary to any interaction. The manager has to balance between long-term goals and short term gains. Organizations must judiciously allocate its energy towards various categories of existing and potential customers.
Objectives of the study:
The main objective of the study is to find the impact of customer relationship management on brand equity of retail malls. The study is designed to know the exact relationship between the CRM and how it helps for a mall to increase the loyalty, brand equity and for generation of revenues. The study also covers about the customers (behaviors) towards the retail brands and what different factors that are motivating them towards retail brands (malls) to see them as a retail brands and also the contribution of CRM in making the mall as a retail brand. The results of the study many helps the malls and policy makers to review the programs and to implement the different new programs in CRM, and the impact of CRM on the customers

To examine and discuss the Interface of CRM and Brand loyalty at Big Bazaar
To offer suggestions to maximize the Brand loyalty.

Methodology
The Sampling, Design and Process:
Empirical field studies require collection of first hand information pertaining to the units of study from the field. The study is related to the customers opinion on CRM activities, and since the population is infinite. It becomes imaginary to do the census survey. Hence, the census are between “sample” methods, “sample” method was adapted to do the research work.

Sampling Frame:
A sample frame is a representation of the elements of the target population. It consist of a list (or) set-of directions for identifying the target population. In the study the sample frame is nothing but the total stoppers of the five selected malls.

Selecting a sample Technique:
In the study the non-probability sampling technique is used as the researcher aims at inferential statistical analysis. Among the different non-profitability sampling techniques, 1 Quota sampling technique is used in the study.

As the researcher has selected Big Bazaar Mall for doing the research, a sample of 75 was given to the Mall. In the second stage, out of 75 sample, the sample elements are selected on the basis of the convenience sampling Method.

Sample size selection:
As the research is on the interface of customer relationship management and brand equity and shoppers of Big Bazaar is infinity countable, through the dissertational study the following method is appropriate to find the sample size of the study.

The minimum sample size is therefore 75

Techniques for Analysis:
To make the research qualitative one, it is essential to use difficult statistical techniques in the research process. A critical examination of the grouped data for studying the characteristics of the object under study and for determining the patterns of relationships among the variables relating to it should be done by the statistical analysis. So in the study different statistical techniques like averages, percentages, index numbers and tabular presentations, parametric & non parametric test useful.

Limitations:
The researcher had to make frantic efforts to get the reply from the customers.
As the population is infinite, a small sample size was selected for the study.
Most of the customers one un aware of CRM activities.

Strategies of Big Bazaar to retain the customers

Big Bazaar:
Big Bazaar is a hyper market store and is not implementing CRM programs at present. Its main focus is on the middle class and above middle class segment. It is following the low price strategy to attract the customers.

“Hafte ka sabse sasta din” was introduced by the Big Bazaar, wherein extra and special discounts were offered on Wednesday every week, to attract the potential buyers into their store. The Big Bazaar strategy is highly successful in attracting the customers and is enjoying the total sales turnover of eight crore per month

Profile of Customers
The socio-economic profile of the customers has been examined in terms of their age, gender, educational background, family size etc. The discussion of profile is intended to provide the back ground information for clear understanding of the customer’s behaviors and their purchase patterns, frequency of purchasing. Motivational factors etc.
Age is an important factor for understanding the mindset of the Customers. Through individual analysis, it can be conclude that highest numbers of respondents (42) are in the age group of 21 to 30 from Big Bazaar. The information reveals that most of the customers are from the youth and middle age group the Mall should concentrate more on this particular segment.

Gender Profile
As gender plays a key role in purchasing process, Out of 75 sample of male respondents 52 (68%) and In the Female Respondents, 23 (32%) are from Big Bazaar. The Mall has to concentrate more in attracting the female customers in order to increase the sales.

Family Size
As size of the family also influences the decision making process of the consumers, an attempt has been made to elicit the status of the family of respondents of the respective mall.

An insight into individual Mall reveals that 38.7 percent of big Bazaar respondents are having a family size of three to four members, while nearer to 31 percent of the respondents are having a size of five to six members. There four as more than half of the respondent’s family size is less than are equal to three to four members, the Mall can target their disposable income by offering attractive programs.

Income Profile
Income plays a key role in deciding major decisions related to the purchasing. The customer’s attitude, Life style and status will be directly guided by his income. So here the researcher made an attempt to know the annual income levels of the respondents by which the purchasing patterns can be analyzed.

Education Profile
Education is having a lot of import on the attitude of the humans. Good education makes him live to the periodical change of attitude and modernization.

Frequency of shopping
The frequency of shopping is very essential to know the shopping attitude of the customers and their preferences.

In respect of the Big Bazaar mall, 41.3 percent are visiting monthly, 20 percent are visiting quarterly, 14.7percent are visiting bi-monthly.

From this we can analysis that only 40 percent of the respondents are visiting the mall on monthly bias.

Usage pattern
The table 5.8 reveals that 19.5percent are using exclusively branded products, while only 1.9percent are using non branded products. But interestingly 78.7percent are stated that they are using both branded and non branded products.

Motivational Parameters
Every Consumer has his own preferences and attitudes towards a Malls. Based on his preferences only he will choose the Malls. For taking a decision, the Shopper will consider various parameters of the Mall. Generally each Mall consists of a determinant feature, which will strongly motivate the shopper to attracts towards that. After applying weighted average, the table indicates that out of 75 samples of Mall, most of the respondents are given Rank 5 to Big Bazaar.

Service
The table elicits the status of the “Service” as a motivating factor to make them shopping in the respective malls. 18.4percent of the respondents are given Rank 1 to Service. After applying weighted average, the table indicates that out of 75 samples of eMall, highest number of respondents have given 2.8 Rank to Big Bazaar. Overall customers have given their opinion that they are giving third rank to the Service.

Quality
They consider Quality of the product as a value for their good Money. After applying weighted average, the table indicates that out of 75 samples of Mall, highest number of respondents have given Rank 1.69 to Big Bazaar, Over all customers have given second rank to the Quality.

Price
The shoppers’ are expecting high Quality for low price. 14.7percent have given Rank 1 to Price. After applying weighted average, the table indicates that out of 75 samples of Mall, highest number of respondents have given Rank 1 (1.94) to Big Bazaar.

From the above analysis, it can be concluded that Big Bazaar is attracting the customers by offering Reasonable price, Overall customers have given fourth rank to the Price factor.

Customer Relationship Management
In the context of modern trends, CRM is an important factor in the Market. As the Service is becoming a crucial factor and Quality only is not sufficient to have competitive advantage and to retain the existing customers. The Malls are coming with new tools like Customer Relationship Management. After applying weighted average, the table indicates that highest number of respondents have given Rank 3 to Big Bazaar.

**Ambience**

Here the researcher has made an attempt to inquire about how for the Ambience is motivating the Shoppers in attracting them towards the Malls. After applying weighted average, the table indicates that out of 75 samples of Mall, highest number of respondents is given Rank 4 to Big Bazaar.

**After Sales Service**

After applying Weighted Average, the table indicates that highest number of respondents have given Rank 7 to Big Bazaar. From the above analysis it can be conclude Big Bazaar is attracting the customers in After Sales Service. Overall customers have given Seventh Rank to the After Sales Service factor.

**Convenience**

A deep insight into the table reveals the information of Impact of Convenience on the Shoppers with respect to the each Mall. After applying Weighted Average, the table indicates that out of 75 samples of each Mall, highest number of respondents have given Rank 5 to Big Bazaar. From the above analysis it can be conclude that Big Bazaar is convenience to the Shoppers in timing as well as in distance.

**Product Range**

The table elicits the status of the “Product Range” as a motivating factor to make them to shop in the respective Mall. Highest number of respondents have given Rank 8 to Big Bazaar. On the aspect of Product Range Big Bazaar is not much attracting the customers.

**Shoppers’ opinion on the Quality parameter**

By applying Weighted Average Method, the overall opinion of the respondents on Quality Parameter for Big Bazaar is 2.4. From the above analysis it is revealed that most of the Respondents are giving a rating Good to the Quality of the Mall.

**Brand image.**

By applying Weighted Average Method, the overall opinion of the respondents on Brand Image Parameter is 2.7. From this it is revealed that most of the Respondents have giving a rating Good to the Brand Image of the Mall.

**Ambience**

By applying Weighted Average Method, the overall opinion of the respondents on Ambience Parameter is 2.72. It can be observed that most of the Respondents are giving a rating Good to the Ambience of the Mall.

**Space Availability**

Table 5.21 indicates that in Weighted Average Method, the overall opinion of the respondents on Space Availability Parameter is 2.68. From the above analysis it is revealed that most of the Respondents are giving a rating Good to the Space Availability of the Mall. From the figures it is found that Big Bazaar (2.9) is Maintaining Good Space Availability.

**Parking facility**

Table 5.22 indicates that Big Bazaar is having Good Parking facility with a rate of 2.69.

**Mall Reputation**

Table 5.18 revealed that most of the Respondents are giving a rating “Good” to the Reputation of the Mall. From the figures it is found that Big Bazaar is Maintaining good Reputation with a rate of 2.6.

**Product availability**

From the Table 5.24 it is found that Big Bazaar is Maintaining Good Range of Products Availability with a rate of 2.7.

**Latest Products**

From the Table 5.25 it is found that Big Bazaar is Maintaining Good Range of latest Products Availability with a rate of 2.7.

**Cleanliness and hygiene of the Mall**

From the Table 5.24 it is found that Big Bazaar is Maintaining a above average opinion on cleanliness and hygiene of the Mall with a rate of 2.6.

**Product Display of the Mall**
By applying Weighted Average Method, the overall opinion of the respondents on Product Display Parameter is 2.4.

**Product Price Display of the Mall**

By applying Weighted Average Method, the overall opinion of the respondents on Product Price Display Parameter is 2.7. From the figures it is found that Big Bazaar (2.7) is Maintaining Good Product Price Display with a rate of 2.7.

**Advertisement and Communication of the Mall.**

By applying Weighted Average Method, the overall opinion of the respondents on Advertisement and Communication Parameter is 2.8. From the above analysis it is revealed that most of the Respondents are giving a rating Good to the Advertisement and Communication of the Mall. From the figures it is found that Big Bazaar is Maintaining Good Advertisement and Communication with a rate of 2.6.

**Performance of overall services of the Mall**

From the above analysis it is evident that the respondents have given average rating to the Big Bazaar with a weighted averaging rating of 2.4

**Behavior of the employees of the Mall**

Behavior of the Employees plays a key role in attracting the customers. In fact in the customer Centric Organizations like Retail Mall the employees’ role is very crucial in attracting and retaining the customers.

By applying Weighted Average Method, the overall opinion of the respondents on Behavior of the Employees is 2.6 which means Big Bazaar employees’ behavior with the shoppers is above average.

**Knowledge of the employees about the product**

By applying Weighted Average Method, the overall opinion of the respondents on Knowledge of the Employees about the product is 2.6. It is revealed that most of the Respondents have given a rate “Good” to the Knowledge of the Employees about the product of the Mall.

**Presentation about the Product**

Presentation of the Employees plays a significant role in attracting the customers. Proper training programs are required to present the product to the customers as well as to clear the doubts of them. Table 5.34 reveals that a large number of respondents 2.7 have given a highly positive response to the presentation of the employees towards product.

**Post Purchase Behavior of the employees**

Behavior of the Employees plays a key role maintaining a good reputation of the any Organization. In fact they represent the Organization’s Culture and Image. Their behavior contributes a lot in customer loyalty.

By applying Weighted Average Method, the overall opinion of the respondents on Post Purchase Behavior of the Employees is 2.9. From the above analysis it is revealed that most of the Respondents have given a rate “Good” to the Post Purchase Behavior of the Employees of the Mall.

**Grievance reduction cell of the Mall**

Feed Back is Heart to the success of any System. It plays a critical role in finding the problems, views and opinions of the customers. In customer Centric Organizations like Retail Mall, a feedback system should be implemented to solve the different problems faced by the customers. So a smooth Functioning of the Grievance Reduction Cell is necessary to the customer centric Organizations not only to Retain them but also to increase the Brand loyalty levels.

By applying Weighted Average Method, the overall opinion of the respondents on Functioning of the Grievance Reduction Cell is 2.9. From the above analysis it is revealed that most of the Respondents have given a rate “Good” to the Functioning of the Grievance Reduction Cell of the Mall.

**Proactive nature of the Mall**

By applying Weighted Average Method, the overall opinion of the respondents on Proactive Nature is 2.86. The above analysis revealed that most of the Respondents have given a rate “Good” to the Proactive Nature Mall. Therefore Mall can take new strategies to attract the customers.

**Discounts**

Discounts play a key role in entice the customers. They attract the customers to come to the Mall and entice them to do more business from the Mall.

The overall opinion of the respondents on Discounts is 2.5. The analysis elicit that most of the Respondents have given a rate “Good” to the Discounts of the Mall.

**Gifts and Offerings of the Mall**

Gifts and Offerings play a key role in attracting the customers. The overall opinion of the respondents on Gifts and Offerings is 2.7. From the above analysis it is revealed that most of the Respondents have given a rate “Good” to the Gifts and Offerings of the Mall.
Rewards Offered by the Mall

The overall opinion of the respondents on Rewards offered by the Select Retail Mall was 2.94. From the analysis it is evident that most of the Respondents have given a rate “Good” to the Rewards offered by the select Retail Mall.

Transport and Door delivery

In respect of each mall, it is found that Big Bazaar got “Good” to the Transport and Door Delivery with a rate of 2.86. The respondents have given explicit opinion on the Transport and Door Delivery. They opined that the Transport and Door Delivery of the Big Bazaar was “Good”.

Amenities Provided by the Mall

The overall opinion of the respondents on Amenities Provided by the Mall is 2.8. From this it is revealed that most of the Respondents have given a rate “Good” to the Amenities Provided by the Mall.

CRM activities of the Mall

CRM Activities plays a key role in attracting the customers. In fact in the Customer Centric Organizations like different Retail Mall, the role of CRM Activities is very crucial in attracting and retaining the customers. In this regard, the Researcher has made an attempt to find the CRM activities at Select Retail Mall of Greater Hyderabad and Shoppers Opinion on them.

Table 5.32 indicates that by applying Weighted Average Method, the overall opinion of the respondents on CRM Activities is 2.6.

Overall Services of the Mall

Overall opinion of the respondents on Services is 2.65. It is revealed that most of the Respondents have given a rate “Good” to the Overall Services of the Mall.

Brand Loyalty

Association

Further the table reveals information about the Association with respect to each Mall. Out of 75 sample of Big Bazaar more than one fifth of the respondents are having an Association up to one year, while almost half of the respondents representing 44% have told that their association with the Mall is since two to three years. One fifth of the respondents representing 20% have the Association since three to five years. However only nine respondents said that they have good Association of more than five years

Continuity of purchase

Few respondents have agreed with a weighted average rate of (2.2) with the statement which means the continuity of purchase of shoppers of Big Bazaar are average. The Mall has to take various measures to excel the brand loyalty levels of the customers.

Provide enthusiastic referrals

Most of respondents representing 2.5 have agreed with the statement which means the continuity of purchase of shoppers of Big Bazaar are average. The Mall has to implement various strategies to enhance the satisfaction levels of the customers.

Satisfaction level of the Customers

Most of the respondents have agreed with the statement with a rate of 2.32. It can be observed from the rating the mall is showing average performance with regard to the satisfaction level.

Trust

Most of the respondents have agreed (2.58) with the statement. It is evident from the above analysis that the Mall is showing average performance with respect to the parameter Trust.

Customer loyalty is appropriately valued and rewarded

Most of the respondents have agreed (3.68) with the statement. With regard to this the Mall is showing great performance and has to try to retain the ratings.

I believe Mall deserves my loyalty

The analysis elicits that the respondents have given explicit opinion on the statement “I believe Mall deserves my loyalty”. Most of the Respondents of the Big Bazaar opined with a rating 2.4 which means that the Mall is showing average performance in respect of loyalty

Over the past year, my loyalty to the Mall has grown stronger

More number of the respondents has agreed (2.70) with the statement.

The above analysis elicits that the respondents have inclined towards good with respect to the loyalty.

Mall values people and relationships, ahead of short term profits

Most of the respondents have agreed with the statement with a rate of 2.42.

Mall attracts and retains outstanding people

The respondents have rated as 2.48 to the statement which means they opined that Big Bazaar is showing average performance with respect to the statement “Mall attracts and retains outstanding people”.

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Mall creates innovative solutions to make my life comfortable
The analysis elucidates that Big Bazaar is showing above average performance in regard to the statement “Mall creates innovative solutions to make my life comfortable”. The shoppers rated 2.6 to Big Bazaar on the said forth stamen.

Conclusions
In the present Scenario Information driven technologies and business applications relating to customer management are becoming smoothly integrated and the opportunities to nurture long-lasting, profitable customer relationships will be required. Any company whose profitability is affected by customer attrition, poor customer acquisition and sluggish customer growth should focus on determining which customer touch points are key for improving customer relationships and how these touch points can be modified to provide individualized customer communications. Database marketing strategies that have driven direct mail and tele-services are becoming the kernel for CRM strategy development and information processing. A CRM strategy includes not only the integration of information and customer touch points but also, more precisely, and training and empowerment of employees and the automation of systems that facilitate customer interactions and communications. Customer relationship management is no longer just the responsibility of the marketing department, rather, it is a corporate-wide practice that need to constantly improve the company’s ability to treat customers and prospects in ways that promote loyalty and continued business.

The analysis which has discussed in previous chapters also revealed that more or less the shopper’s behavior towards the Mall are similar. All the Mall are successful in providing good quality of products, services, parking facilities, packaging, door delivers etc. But in today’s consumer oriented markets providing the conventional marketing strategies are not sufficient to sustain for a long period in the market. Despite of this acquiring the customer loyalty and retention is also difficult. The analysis clearly indicates that the Mall which are implementing the Customer Relationship management are successfully retaining the customers and also succeed in mounting the levels of the loyalty. Therefore to become a competitive advantage and present themselves as Brands the Mall should transformed into customer centric Organizations.

The analysis made it clear that the role of shoppers behavior on brand loyalty is highly significant. Customer Relationship Management can be used to enhance familiarity with the brand, creation of brand image, brand personality, association of feelings with the mall. So the Mall can use the route of getting in touch with customer on their mobile or email ids. Call centers can make a big deal of difference especially this concept.

The final mission of brand building is to retain the customer, which is accomplished through CRM. Most successful retail brands are those that create and deliver “Customer delight experience”. CRM is also looking at customers who are not spending much, but could, it encouraged by a really good brand experience. Therefore as Store brand is the future of the retailer, while CRM plays a critical role in mounting the emotional bonding with the customers it is suggested to implement the customer relationship management activities with the involvement of the customer which leads to the success of the higher brand equity.

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