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Customer Service and Value Creation in a Changing Environment



Board Structure and Value Creation

Does Board Structure has any
impact on Human Capital Efficiency?

Tourist Preferences at the time of choosing Rural Destination

Preference Indicators for Rural Tourism

Management Perception of Customer Expectation on Service Preferences

A Perception GAP Analysis

Globsyn Management Journal (GMJ)

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Patron-in-Chief's Desk

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

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

I wish this all success!

Bikram Dasgupta

*Founder & Executive Chairman
Globsyn Group*



Patron's Desk

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

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

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

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

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

I wish this effort a great success.

Prof. R. C. Bhattacharya

Vice Chairman - Globsyn Business School

Director - Globsyn Technologies Ltd.

Globsyn Business School, Kolkata

Editorial

Dear Readers,

Greetings from Globsyn Management Journal (GMJ)!

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

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

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

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

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

With best wishes to all our esteemed readers of GMJ!

Dr. Joy Chakraborty

Associate Editor



Research Articles

Board Structure and Value Creation: A Human Capital Efficiency Approach

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Abstract

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

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

1. Introduction

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

be achieved by investing in intellectual resources (especially in human capital, which is the key factor in value creation in modern businesses) and increased mobilisation of the internal potentials of the company, first of all the intangibles.

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

According to Baron (2003), around 75 percent of market relies on intangible assets mostly human capital which is one of the important components of Value Added Intellectual Coefficient (VAIC), the method developed by Pulic in 1998. VAIC basically contains three main components namely Human Capital Efficiency (HCE) which indicates the value added by human capital, Structural Capital Efficiency (SCE) which indicates the value

added by structural capital, and Capital Employed Efficiency (CEE) which refers to the value added by capital employed of the company (Rahim et al. 2010). As Kaes (1999) pointed out measuring intangibles is essential for managing them in an effective way. Abidin et al. (2000) studied the board structure and corporate performance and found that more outside directors on board have better performances, and board size too has positive impact on firm performance. However, using human capital efficiency as a performance indicator has not yet been taken for measuring its impact on board structure, hence which gives research question. *Do board structure can be measured using human capital efficiency as a performance indicator?*

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

2. Literature Review

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

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

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

Makki, Lodhi and Rahman (2008) studied the following problem and pointed out that any outcome in the organizational process is mainly happened due to its skilled workforce. Human capital has been many times ignored by the people, as the key factor affecting the process, but when structural capital investment does not meet the expectations, then all the blame is imposed on the operator as the main source of the problem Fitzenz (2000), Gan and Saleh (2008). Fitzenz (2000) argued that under a different condition, if the company outcome improves twice then managers will affirm that is caused by the combination of human capital and automation. The question then arises as to what extent did human efforts cause the change, compared with other kinds of capital? Makki et al. (2008) believed that 'Human capital has great role to play in

overall performance of the firm'. In a review of previous studies(Goh 2005; Makki et al, 2008; Gan and Saleh, 2008; Ting and Lean 2009; Phusavat et al. 2011; Mondal and Ghosh, 2012; Komnenic and Pokrajcic, 2012), it can be recognized that there is a significant relationship between Human Capital Efficiency and organizational performance. According to Plink and Barning (2010) human capital can generate significant value for companies and provide them with sustainable competitive advantage. But, there still exist the problem of measuring the human capital efficiency?

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

directors and firm performance have shown mixed results. Dehaene et al. (2001) founded significant positive relationship between the number of independent directors and return on assets, which lends support to the notion that independent directors provide superior benefits to the firm as a result of their independence from firm management and which in turn helps investor in taking their own investment decisions.

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

3. Research Methodology

3.1 Theoretical framework

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

3.2 Control Variables

In defining the linear regression models the following control variable is considered to isolate the contribution of Human Capital to corporate performance of the companies (Mondal and Ghosh, 2012), and hence, three control factors (profitability, assets utilization ratio and firm size)

are included in the linear regression model for this study. These factors have been known to have an impact on corporate performance, and hence need to be controlled in the study. According to Wahab et al. (2007), the inclusion of the control factors reduces the risk of model misspecification due to missing variables.

3.3 Dependent Variables

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

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

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

3.4 Sample

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

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

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

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

3.5 Variable Measurement

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

$$HCE = VA / HC$$

- Where HCE stands for Human Capital Efficiency, which is indicator of value added efficiency of human capital in the firm.
- VA represents Value Added for firm, which is computed by following equation
$$VA = \text{Total Revenue} - (\text{Operating Expenses} - \text{Salaries})$$
- HC represent human capital of firm which computed by adding the salaries and benefit which company provides to its employees.

3.6 Statistical tools

For the purpose of empirical analysis, Pearson correlation and linear multiple regression was

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

$$HCE = \beta_0 + \beta_1 BrdComp + \beta_2 BrdSize + \text{Control Variables} + e_i$$

Where:

β_0 = Intercept coefficient

β_1 & β_2 = Coefficient for each of the independent variables

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

e_i = Error term

4. Results and Discussion

4.1 Descriptive statistics

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

corporate board (Corporate Governance, Clause 49, 2013).

Table 1: Descriptive Statistics

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

Source: Calculated

4.2 Correlation

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

Table 2: Pearson Correlation Analysis

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

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

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

Source: Calculated

4.3 Regression analysis

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

by the model, denoting a moderate relationship between the explanatory variables and the HCE.

Table 3: Model Summary^b

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

Source: Calculated

Table 4: ANOVA^a

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

Source: Calculated

4.4 The Impact of Board Composition on HCE

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

4.5 The Impact of Board Size on HCE

The results of the regression analysis in Table 5 shows that the coefficient for total number of directors (board size) is significant at the 5% level. However, the coefficient is negative, suggesting that there is a moderately significant negative

relationship between board size and HCE. This is similar to the theoretical model and the stated hypothesis, which predicts a negative relationship between board size and company performance. Hence, **H02** is rejected. Thus, the finding indicates that a larger board size contributes less towards firms' performance as a whole. Therefore, a larger board size means more confusion and more time consumption at decision-making level. The result favours the argument of Eisenberg et al. (1998) who suggested that a large board size is more vulnerable to being overpowered by the CEO.

Table 5: Coefficients^a

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

Source: Calculated

4.6 Control Factors

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

5. Conclusion & Way Forward

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

The results also imply that minimum requirement of one-third of non-executive independent directors at the corporate board by CG clause 49 2013 and by BSE listing agreement is very important. This is because independent non-executive directors possess a diverse background, attributes, characteristics and expertise, which may improve board processes and decision-making and consequently firm performance. Independent non-executive directors also play a vital role in the long-term performance of the company, as they contribute significantly to the performance of intellectual resources of the firm. There is also evidence to suggest that a small board size performs effectively and there seems to be no communication and coordination problem among the board members. This is similar to most US studies which stated that a small board size is more effective and performs better. This is perhaps due to the differences in the culture and nature of the firms, as this particular study is conducted in a developing Asian country. Regardless of the board composition and size adopted by the company, it is important that they make adequate

disclosure on this matter in the annual reports so that users can decide for themselves. It would also be more meaningful to perform a comparative analysis between India and other developed and developing countries, which could determine the human capital efficiency and its performance against similar or opposite situations.

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Tourist Preferences at the Time of Choosing Rural Destination

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Abstract

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

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

1. Introduction

Tourism has been considered as a service as well as means of entertainment concerned with

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

to leisure and recreation time are encouraging the wishes and intentions of goods or services of the consumers at a faster pace.

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

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

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

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

2. Related Literature Survey

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

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

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

Seal (2016) conducted a study at Anegundi village of Karnataka state that aimed to understand the significance of entrepreneurship in rural tourism

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

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

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

busy and concrete city life. Rural Tourism in India thus fulfils Govt's. Objective of diversification of tourism products and create local employment in distant villages.

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

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

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

decision reference for the development of rural tourism in Suzhou, as well as promote the sustainable development of rural tourism in Suzhou.

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

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

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

In its most unpretended sense, it is worth considering the fact the access to a plethora of information sources is the prime interface for which the huge enquires for rural tourism has got its leverage. With a click of finger the prospective travelers are experiencing the thrills and activities associated with the rural tourism activities. Bullock Cart Riding, Canoeing, Rock Climbing, Angling, Tree-House staying, Bonfire, Rejuvenating by Ayurvedic detoxification, and all such activities associated with the rural tourism embeds a new-fangled idea of rethinking about the holiday destinations and reschedule the itineraries.

Several home stays, Zamindar house stays as well as the resorts covering the extent of different financial stretches are advertised through websites which indeed eliminates the requirement of any third party to get involved in the booking process. The huge number of travel magazines in both vernaculars as well as in English are also a platform for rural tour operators to advertise about their product in such special interest magazines to the prospects, which minimizes the additional pennies being invested without getting the expected returns. Government - run tourist organizations and the State - tourism offices also plays a momentous role to instill the curiosity of rural tourism. For example the " Rann Utsav " of Gujarat, or the " Sirpur Dance festival" of Chattisgarh and the " Sonepur Cattle Fair" of Bihar are just some of the examples taken as initiatives by the respective state government to attract huge travelers to these places which otherwise are not very popular destinations compared to some of the most sought after holiday destinations like Himachal Pradesh, Goa, Rajasthan or the Andamans.

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

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

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

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

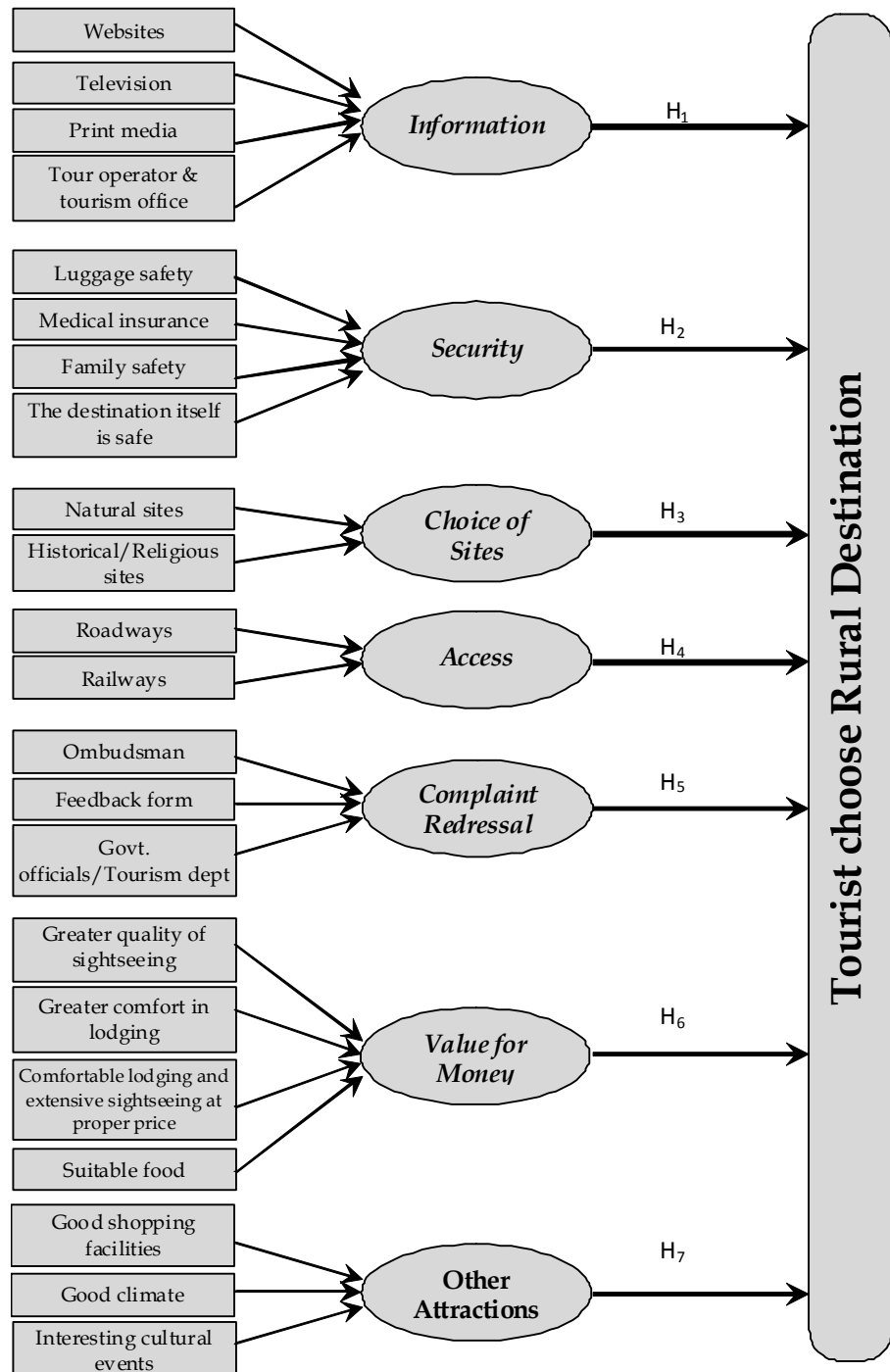
The utility derived from every sum of money spent is inarguably the top of the mind concern while equating the minimum purchase price and the maximum efficiency received from the purchase. This thumb rule of economics also etches into the field of a tourism sector where the tourists persistently compare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

in such cases. The rural tourism promoters ideally should have that “something” for all these group of travelers and tourists.

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

list of factors but these are some of the most important considerations which the urban tourists or travelers arranges in their mind while fixing up their next holiday destination.

3.1 Hypothesized Research Model



3.2 Objective Of The Study:

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

3.3 Hypotheses Of The Study:

- H₁: Information is having a significant impact on choosing rural destination
- H₂: Security is having a significant impact on choosing rural destination
- H₃: Choice of sites is having a significant impact on choosing rural destination
- H₄: Access is having a significant impact on choosing rural destination
- H₅: Complaint redressal is having a significant impact on choosing rural destination
- H₆: Value for money is having a significant impact on choosing rural destination
- H₇: Other attractions are having a significant impact on choosing rural destination

3.4 Research Methodology

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

sampling method has been used to collect various perceptions of subscribers of different mobile service providers in West Bengal. Exploratory Factor Analysis and Multiple regression method has been used to conduct the study.

4. Analysis & Data Interpretation

4.1 Validity Testing

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

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

4.2 Reliability Testing:

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
0.912	25

Source: Calculated

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

KMO Test (0.883) indicates factor analysis is appropriate with the data. The KMO Measure of Sampling Adequacy is showing 0.883 which is quite suitable to conduct the factor analysis. It is also showing that Bartlett's Test of Sphericity is .000 which is quite acceptable. So,

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

Table 2: KMO and Bartlett's Test

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

Source: Calculated

Table 3: Rotated Component Matrix

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

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

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

a. Rotation converged in 7 iterations.

Source: Calculated

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

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

influencing factors are the destination offers interesting cultural events and the destination has good shopping facilities. In last factor named tourist preferences, the most influencing factor is Pollution-free and nature-friendly environment, whereas the other influencing factor are Beautiful natural attractions or historical attractions and Emerging growth of home stays with excellent hospitality.

4.3 Regression Analysis:

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

Table 4: Model Summary^b

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

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

Source: Calculated

Table 5: ANOVA^a

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

a. Dependent Variable: Tourist preferences

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

Source: Calculated

Table 6: Coefficients^a

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

Source: Calculated

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

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

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

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

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

It is interpreted from the result that tourists are mainly looking for what so ever they are paying in return they are getting proper facilities or not. Another important reason is the basic facilities like food, lodging, sightseeing, proper price-these all

are the parameters of Value for money and that is why it is mostly preferred by tourists. Security is the second most preferred factor because after all tourists want to visit the places without any disturbances. Choice of sites is the third most preferred parameter because the main attraction of visit to any area, if it is a natural site, is some scenic beauty and if it is a historical/religious site, then history-lovers and religious minded people will get attracted. Other attractions and complaint redressal are the least preferred factors because these two factors do not have much impact on tourist preferences.

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

So, the multiple regression equation can be expressed as,

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

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

5. Conclusions

“Incredible India” is not just a tagline of India Tourism now; it has got its much awaited impetus to grow at a much faster rate and to compete with other tourist hotspot destinations of the world. The government of India is providing all the support required in tandem with the various state tourism departments. India stands because of its own bravura amongst the other countries of the world where almost all the tourism products are available under one roof. Whether for its wild untamed forests, or sun kissed golden beaches,

whether to sail in its regal past, or whether for its undulating and high standing snow capped proud mountains, whether for its mesmerizing and dazzling yellow deserts or whether for its un-spoilt rural beauties and smell of soil, India has all in her fold. In some of the countries of Europe, like Austria, Denmark and Britain, rural tourism or putting it in much simpler words, spending a holiday in a country-side to blend oneself with the authentic lifestyles of the locals in a pristine backdrop is the latest cult. According to latest census of 2011, India has 6,40,867 villages but the potential if many of these villages to attract tourists in future has not yet been realized fully. Poor infrastructure, lack of will of public and political parties, political games, instability of the governments at the state level, environmental concerns and the involvement of people in the projects and the tourism initiatives are significant roadblocks in the process. If such manacles are uncuffed in near future, then Indian villages surely can be a sought after destination for spending a great vacation.

6. Scope For Future Studies

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

However these parameters which are identified in this case are not exhaustive and there may be some other parameters which can influence the

decision-making process. In such case the multiple regression equation formed will definitely change. The concept of 'niche' further created a nice segment in this industry like "Tea Tourism", "River Tourism", "Wellness tourism," and needs to be separated from the broad dimensions of "Rural Tourism".

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

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Annexure

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

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

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Abstract

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

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

Summary:

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

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

1. Introduction

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

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

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

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

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

1.1 Current Challenges faced by Insurance Companies

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

1.2 Service Quality as Strategic Weapon

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

expectation and perception of different dimension of service quality as proposed by any standardized scale. The result will indicate the customer feedback of service quality in holistic manner.

1.3 Theoretical Framework of the Study

1.3.1 Service Quality Dimensions

Parasuraman, Zeithaml and Berry (1988) proposed 10 service quality dimensions. They included reliability, responsiveness, competence, access, courtesy, communication, creditability,

security, understanding (customer's knowledge) and tangibles. They simplified the ten dimensions of service quality into five dimensions as tangibility, reliability, responsiveness, assurance and empathy. These five dimensions measure the performance of 22 items in the SERVQUAL scale.

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

Table 1: Service Quality Dimensions according to usage

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

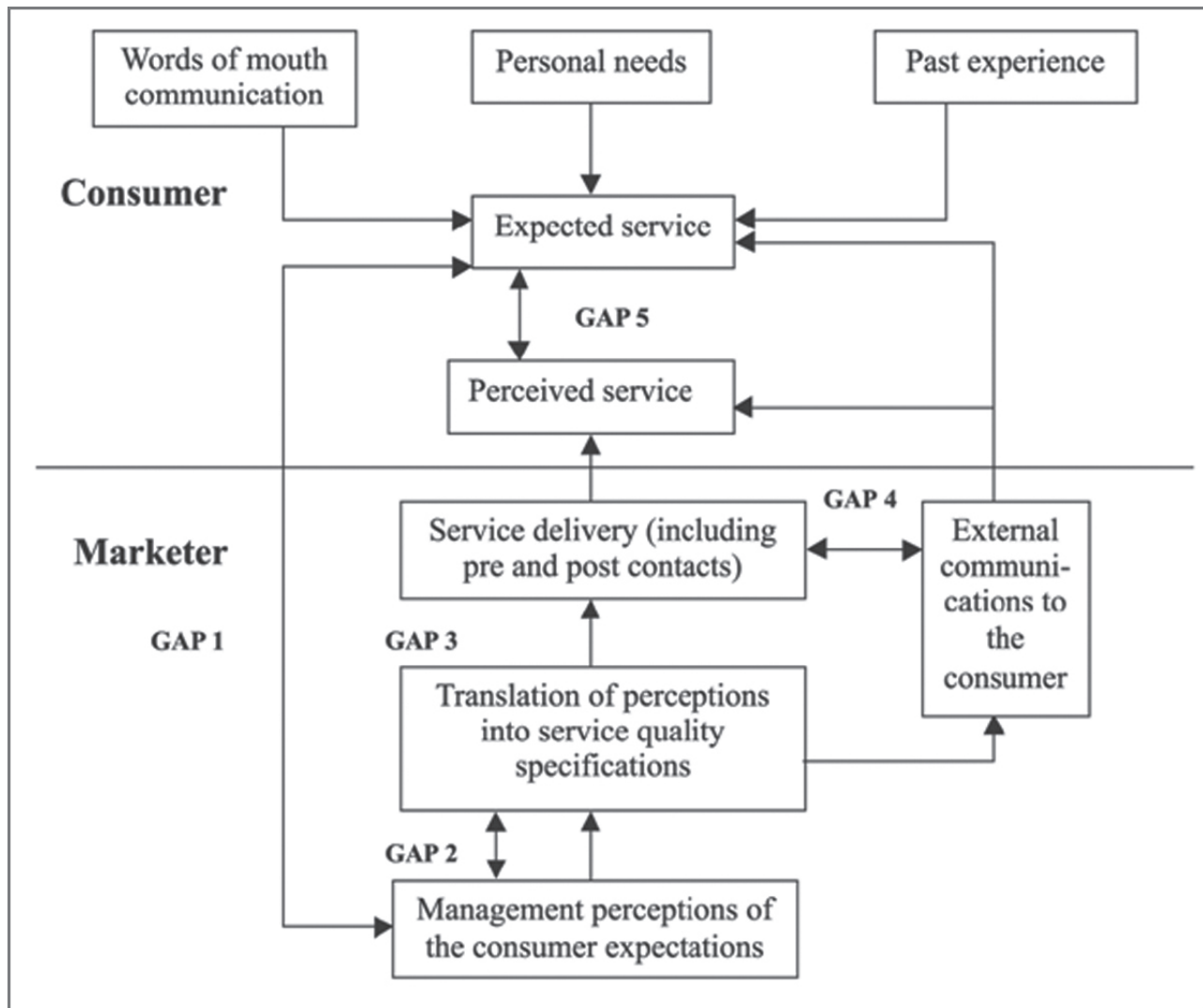
Source: Sharma, R. K., & Bansal, M. R. (2011). *Service Quality Assessment in Insurance Sector: A Comparative Study between Indian and Chinese Customers*. *Research Journal of Finance and Accounting*, 3(5), 1-17

1.3.2 Service Quality Gap Model

To develop greater understanding of the nature of service quality and deliver high quality service, Parasuraman et. al. (1988) developed a model that

shows major requirements for delivering high-quality service. This model is also known as SERVQUAL model as in Figure 1.

Figure 1: Servqual Model



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

2. Literature Review

Customer service has become a distinct component of both product and service sectors and with the developments in information technology many businesses find demanding and

knowledgeable customers. Several literature is found describing the importance of service quality and its impact on customer satisfaction and customer loyalty. An intensive review is conducted and a brief description of some of the relevant studies is given here.

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

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

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

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

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

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

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

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

3. Objectives of the Study

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

4. Methodology

Variables used for the Study

The following variables are used for the data collection process:

- i) Demographic variables – age, education, gender, profession, income, marital status and profession.
- ii) Service Quality Dimensions – Assurance, Personalized Financial Planning, Tangibles, Technology, Competence, Corporate Image
- iii) Type of Insurance companies – Public, Private

4.1 Data Collection

4.1.1 Sampling plan

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

related to major drivers of customer satisfaction in life insurance industry. All the 15 questions of the questionnaire from part 2 used a likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree.

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

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

4.2 Data Analysis

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

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

5. Findings

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

Table 2: Demographic Profile

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

Source: Survey Data

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

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

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

5.1.1 Operational Design

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

5.1.2 Research Hypothesis

H₀: There is no significant difference in the mean scores between the managerial level of customers expectation perception and the customer's actual level of expectation (GAP) on the various service quality dimensions.

Table 3: Average GAP score of each dimension

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

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

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

*significant at 5% level

Source: Survey Data

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

6. Conclusions

Individual Dimension wise Analysis

I . Assurance:

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

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

2. 'Agents always approach from customer's point of view' – There is a significant gap between management perception of customer expectation and actual customer expectation in the statement 'Agents always approach from customer's point of view'. The perception mean is 4.33 and the expectation mean is 4.04. It reveals that both the customers and the managers are focused towards agents' approach from customer's point of view. Marginally perception mean is higher than expectation mean. But the result is statistically significant.
3. 'Employees of the company inform you exactly when the services will be performed.' – The gap is not statistically significant which reveals that both the customers and management are thinking in the same line. And they have a positive preference towards the statement.
4. 'Agents being trustworthy while explaining policy's terms and conditions' – There is a significant gap between management perception of customer expectation and actual customer expectation in the above statement. The perception mean is 4.41 and the expectation mean is 3.96. It reveals that the managers are more inclined towards ethically strong sales people than customers expect.
5. 'Agent's conducting assessment of risk profile / situation for their customers.' – There is a significant gap between management perception of customer expectation and actual customer expectation in the statement 'Agent's

conducting assessment of risk profile / situation for their customers.' The perception mean is 4.29 and the expectation mean is 4.00. It reveals that both the customers and the managers do prefer the assessment of risk profiles before selling their products. The gap probably exists as most of the customers are financially unaware about this assessment part and thus have limited knowledge to understand the need.

II . Personalized Financial Planning:

1. 'Insurance Company arranging for periodical meeting with its customers.' – There is a significant gap between management perception of customer expectation and actual customer expectation in the statement 'Insurance Company arranging for periodical meeting with its customers'. The perception mean is 3.71 and the expectation mean is 4.48. It reveals that the customers are highly inclined towards meeting their insurance service providers periodically. Getting in touch frequently with the service providers can decrease the level of cognitive dissonance within individuals and trigger loyalty.
2. 'Insurance Companies restructuring policies according to customers need.' – There is a significant gap between management perception of customer expectation and actual customer expectation in the statement 'Insurance Companies restructuring policies according to customers need'. The perception mean is 3.60 and the expectation mean is 4.50. It reveals that the customers expect more customized service. Customization is the need of the hour. Sometimes it makes a person feel special. The management's perception about customization is not so

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

3. 'Insurance Companies keeping customers updated on new products.' – The gap is highly significant. The perception mean is 3.44 and the expectation mean is 4.52. It shows that customers are more likely to stay updated of the new products and services that are introduced in the market. They expect that the new innovation in the form of new products and services can make their life more comfortable. Though nowadays with easy access to information it is much easier to stay updated but still the involvement of the company's agents in informing their customers about their new products and how it fits into their requirement drive more satisfaction. Management have to keep a eye on that and should follow up frequently with the customers about their awareness of the newly launched products and services.
4. 'Availability of flexible product solution.' – There is a significant gap between management perception of customer expectation and actual customer expectation in the above statement. The perception mean is 3.42 and the expectation mean is 4.54. Result reveals that customers expect more flexibility in their products and services. With the changing life styles of customers flexibility in all spheres becomes highly indispensable. The strategy should be such that the products and services are custom made according to the needs, likes and preferences of the customers and flexible enough so that it can match with their life styles.

III . Tangibles:

1. 'Staffs are always there to fulfill promises in timely manner.' – There is a significant

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

2. 'Adequate No. of branches.' – The gap between management perception of customer expectation and actual customer expectation in the statement 'Adequate No. of branches' is not significant. The perception mean is 3.81 and the expectation mean is 4.00. It reveals that the customers expect adequate number of branches at their reach. This again reflects the need of flexibility.
3. 'Accessible location of the branch' – The gap is statistically significant. The perception mean is 3.62 and the expectation mean is 3.92. It shows that customers are more likely to stay updated of the new products and services that are introduced in the market. They expect that the new innovation in the form of new products and services can make their life more comfortable. Though nowadays with easy access to information it is much easier to stay updated but still the involvement of the company's agents in informing their customers about their new products and how it fits into their requirement drive more satisfaction. Management have to keep a eye on that and should follow up frequently with the customers about their awareness of the newly launched products and services.

IV . Technology

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

V . Competence

1. 'Proactive information through e-mail / sms.' – There is a significant gap between

management perception of customer expectation and actual customer expectation in the statement 'Proactive information through e-mail / sms'. The perception mean is 4.33 and the expectation mean is 4.02. It reveals that the managers are highly inclined towards proactiveness of their employees. The customers are also thinking in the same line but they are not so aware about the effectiveness of getting prior information about the products or services.

2. 'Staff dependable in handling customer's problems' – The gap between management perception of customer expectation and actual customer expectation in the statement 'Staff dependable in handling customer's problems' is not significant. The perception mean is 4.31 and the expectation mean is 4.30. It reveals that the customers expect dependability from their service providers.
3. 'Insurance company perform the service right in first.' – The gap is statistically insignificant. The perception mean is 3.94 and the expectation mean is 3.94. It shows that customers and managers both are highly conscious about the responsiveness of service providers. Management have to keep a eye on the actual service provided and organize training occasionally to upgrade customer handling strategies.
4. 'Employees of the company having knowledge and competence to solve the customer problems' – The gap is statistically significant. The perception mean is 4.32 and the expectation mean is 4.00. It shows that customers and managers both trust on knowledgeable and competent employees. Though the managers want their service providers fully knowledgeable and they

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

VI . Corporate Image

1. 'Innovativeness in introducing new products' - There is a significant gap between management perception of customer expectation and actual customer expectation in the statement 'Innovativeness in introducing new products'. The perception mean is 3.65 and the expectation mean is 3.99. It reveals that the customers are highly inclined towards innovativeness of products and services. The managers have to identify the latent needs of their target segment and strategize to fulfill the same by innovating new products or services. They may have to start research & development (R&D) cell to identify and formulate the needs in an effective way and offer solutions in a much innovative manner to address the gap.
2. 'Financially stable company' - The gap is highly significant with the perception mean as 3.49 and the mean of expectation as 4.0. Financial stability generates reliability and trust within the mind of the customers. Financial stability ensures sustainability in the long run. This reflects the ability of the company to serve the customer over a period of time. Though managers have little to do with this attribute still they can promote awareness about the background of the company and try to make the customers proud of being a part of it. Proper positioning of the company in the mind of target segment is

essential to reduce cognitive dissonance and address the gap.

3. 'Simple procedure for purchasing a policy' - The gap is statistically significant. The perception mean is 3.76 and the expectation mean is 4.04. The procedure of purchasing policies must be very simple and transparent. The number of levels should be reduced and the purchasing system if can be done through online could be more effective. Managers should be looking at simple, hassle free and flexible purchasing system for encouraging more buyers of their products.
4. 'Value for money' - The gap is statistically insignificant. The perception mean is 3.77 and the expectation mean is 3.94. There are two aspects to customer value - Desired value and Perceived value. Desired value refers to what customers desire in a product or service. Perceived value is the benefit that a customer believes he or she received from a product after it was purchased. The perceived value need to be enhanced if the managers want to pull their customers towards their products rather than push the products to the customers.

7. Recommendations

It is quite evident that if all insurance companies focus on the quality, their business can further be enhanced because in the present age of competition and clutter, customers judge an organization not only by the number of products offered by it but by the quality of that products and services. Also, there should be transparency and well documentation in the functioning of the insurance companies. Consistency in meeting the customer expectation is a must. Organization should provide suitable infrastructure for error-free services. Service personnel should be prompt

in attending to customers and serving their requirements. Employees should be empowered by the management to do all that they can to assist a customer in trouble. They should empathize with customers who report problems and work quickly to resolve them. Employees working with commitment and customer orientation should be rewarded to encourage similar behaviour among all the employees.

8. Limitations & Future Implications of the Study

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

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

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

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A New Look at HR Analytics

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Abstract

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

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

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

1. Introduction

HR Analytics has appeared on the business landscape in the form of a game changer. People in the HR software domain have been talking about big data, and how decisions on human capital will alter based on access to workforce analytics (Gale, 2012); eQuest (2012) in its report mentioned that "Big Data holds tremendous business potential.

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

In today's scenario, it goes without saying that people are an asset to the organization. They are important for the success of any company. There lies no doubt in the fact that any business which

can attract the right talents, manage them effectively, and retain employees, are actually setting a path for itself to achieve success in the long run. Today, HR Departments are generating more data than ever before. However, the beauty of data is not revealed, unless they are turned into valuable insights, facilitating the decision making process. The ultimate goal is to make the organization stand in a better position, keeping sustainable growth in mind. Data, cannot speak for itself. Thus, Managers must have some key analytical skills to read the collected data and understand people better by knowing their capabilities, competencies, capacities and employee churns. The success of any business depends upon the skills, knowledge and abilities of the workforce. Therefore, it becomes very important for a Manager to identify the capabilities that the employees of the organization already possess, so that, he can recognize any gap that exist in the workforce and work upon it to mitigate it. However, capabilities do not always mean the formal knowledge and skills that the employees possess. It may also include the ability to develop and maintain relations. Similarly, Competency Analytics deals with talent acquisition and management by focusing on a small set of key competencies. Hiring employees, training them and then making them an integral part of the business costs a lot of money. Nowadays, Employee Churn Analytics is used to assess the employee turnover rates with an attempt to predict the future and reduce employee churns. This can be done by using certain tools like **Employee Satisfaction Index**, **Employee Engagement Level** and **Staff Advocacy Score**. Surveys and Exit Interviews are also important techniques. However, organizations also desire a certain level of employee churn. It is very important for an organization, at present, to know what perception exist in the minds of its current and past employees regarding the company

culture and how it feels to work in that particular firm. This is based upon certain characteristics like, Organization Culture, Employee Benefits and Employee Value Proposition (Employment Branding). Thus, understanding the reasons behind why attritions are occurring and the extent to which these factors are responsible calls in for the use of Big Data Analytics in order to create a relation between them, so that a sustainable growth objective can be achieved.

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

Implication of HR Analytics

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

their development, retention and cessation of employment with the purpose of ushering in value to the organization, in the process, involving statistical models.

Lineage and Utility of HR Analytics

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

experience was the best indicator of a successful customer service representative. The organization could minimize attrition at its call centers by 20 percent in 6 months.

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

2. Literature Review

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

A recent study by the 'Institute for Corporate Productivity' (2012) on the practices and the span of HR, suggests that most organizations are still unprepared to handle the ocean of data. Analytics is widely in use in the fields of Finance, Supply Chain and Marketing due to the availability of dependable metrics and predictive data (Hoffman, Lesser and Ringo, 2012b). The field of HR also needs analytical point of reference like areas of other business functions, according to a report of IBM (2009). Examples of HR analytics include identifying potential candidates most likely to succeed in a role, the probability of termination

and attributes of high performing employees (Bassi, 2011). According to a model of social media analytics for behavior informatics, HR and customers, by Chaundrey, Subraminiam, Sinha and Bhattacharya (2012), suggestion is obtained that HR analytics can be used in various HR value chain elements like, recruitment, selection, performance, development and transitioning. Though there are not many scientific studies held in the field of HR analytics, a lot of studies has been done to related fields like HR metrics(Stone,2013) and eHRM (Strohmeier,2009). The difference between the fields HR metrics and HR analytics is that HR metrics is used to measure data such as turnover rates and sick days, whereas HR analytics can gauge employee engagement and whether workers have the skills to achieve organizational goals or not. HR metrics focuses on the past, and HR analytics should focus on the future (Smeyers, 2011). The data obtained from the historical records stating the employee turnover rates and sick days show the hindrance towards achieving the organizational goal whereas HR analytics is used to enlighten the solutions to the problems. An insight obtained from 'Henley Centre for Excellence Big Data' research paper shows that HR data analytics initiatives are getting traction and appear to be adding value.

3. Methodology

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

interview was conducted. The number of respondents aggregated 20.

Study of HR Analytics In Private Sector Companies

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

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

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

Study of HR Analytics In Public Sector Companies

When it comes to workforce analytics, professionals are much more eager to know about what will happen in the future, than knowing about what had happened before. They should know what is going to happen and what they should do in order to face it. However, compared

to the private sectors, only a small portion of the public sector organizations are deriving insights about how to use data significantly for the better management of workforce. Though the government sector is taking steps to use predictive analytics to make the future of HR in the public sector look better, it is still lagging significantly in the adoption of data analytics. Though it is quite evident that using analytics can improve the efficiency of organizations, only 31% of the leaders in the public sector believe that data can really improve their level of efficiency (Jim Gill, Vice President, Government, at Cornerstone).

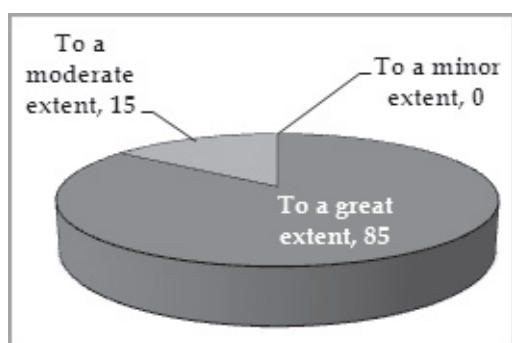
This slow uptake of data science in the public sector is mostly due to the fact that using big data requires a shift in the processes used earlier, along with a shift in culture. This appears to be hard for the public sector especially because they are hardly ready to come out from their long established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

4. Results

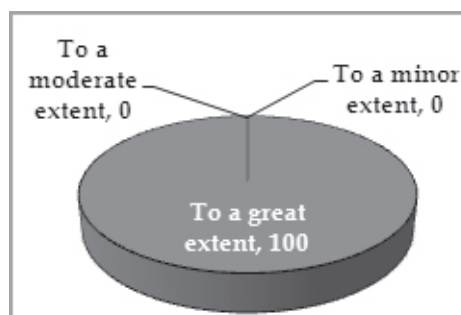
The following are the results obtained from our survey.

Summary of primary data obtained from 20 companies:

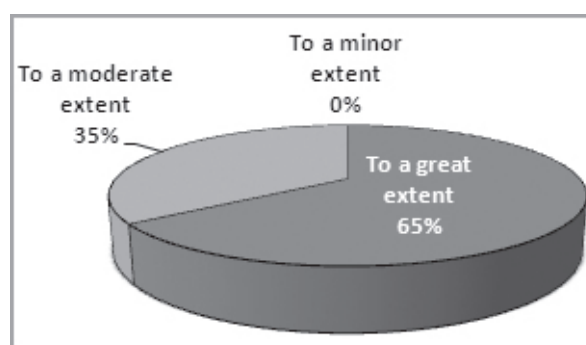
I. Parameter: Identification of proper data



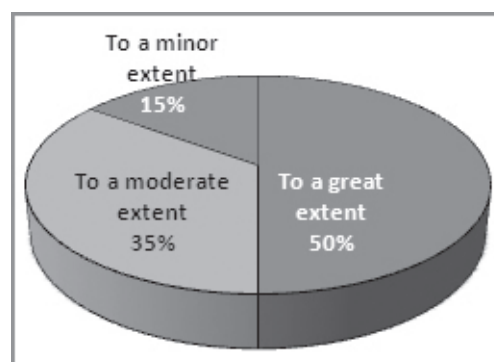
II. Parameter: Access and use of data:



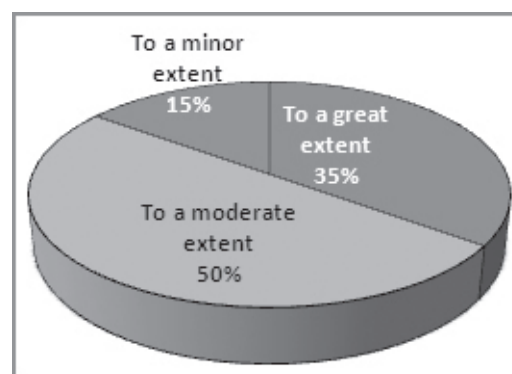
III. Parameter : capable of performing root cause analysis



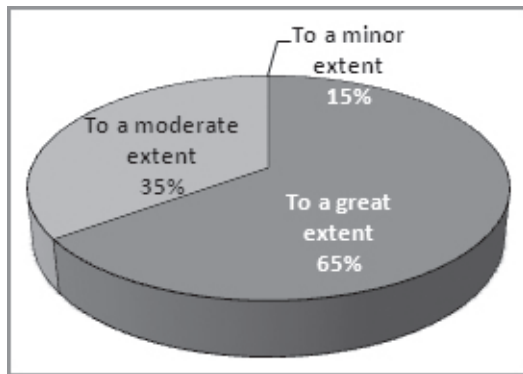
IV. Parameter : understandability of statistical results



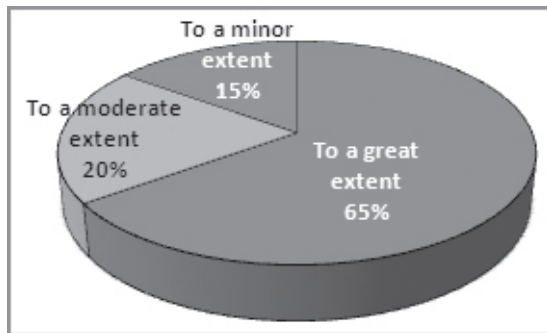
V. Parameter: Capability of effectively presenting analysis to cross-disciplinary audience.



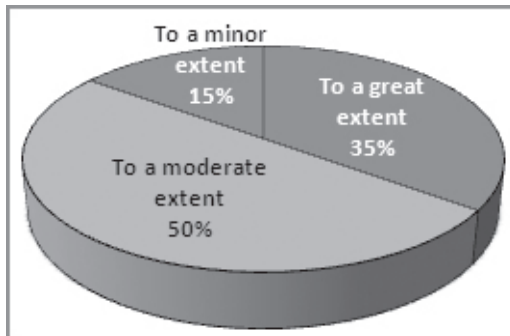
VI. Parameter : Frequency of use of data



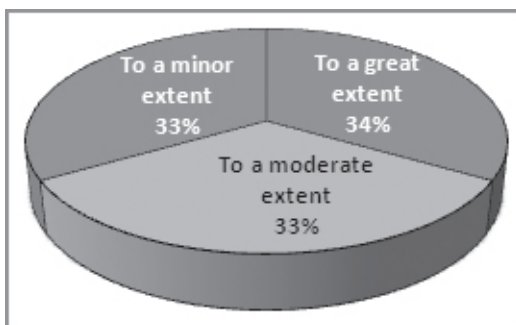
VII. Parameter : use of HR Analytics to measure routine HR execution



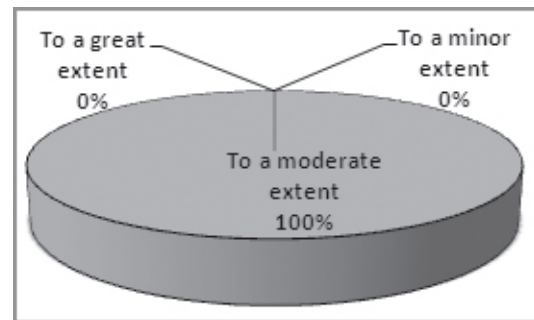
VIII. Parameter : Improvement of HR Department operations with the help of HR Analytics.



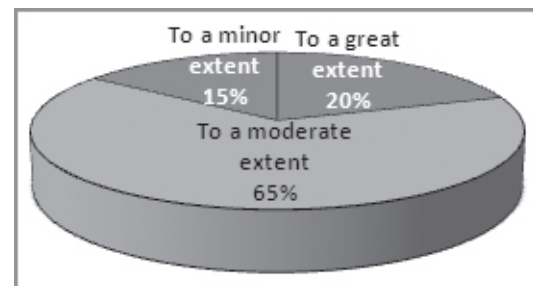
IX. Parameter : Company's support to organizational changes



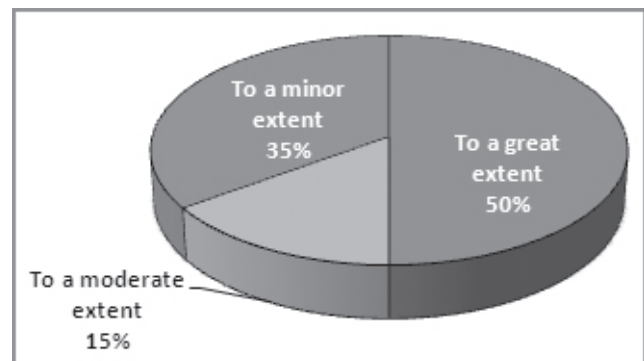
X. Parameter : HR Analytics help in the cost of measurement of HR operations



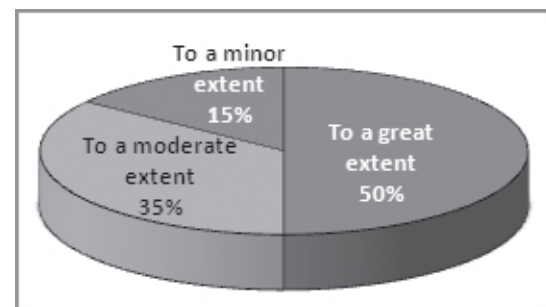
XI. Parameter : HR Analytics help make recommendations and decisions that reflect company's competitive situation



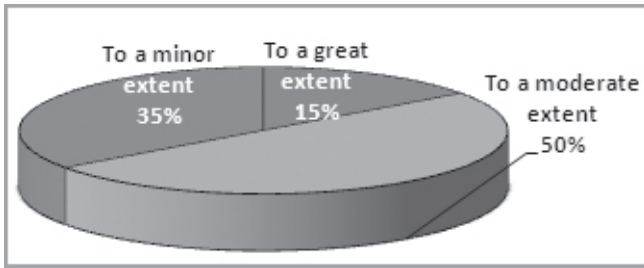
XII. Parameter : Evaluation the effectiveness of HR programmes and practices in your organization.



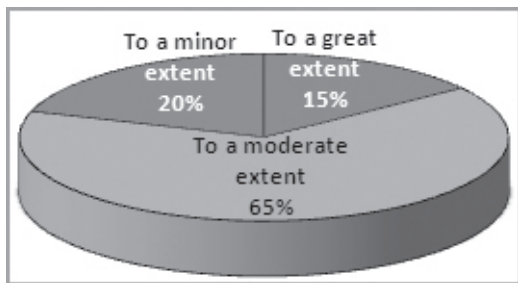
XIII. Parameter : Contribution to decisions about business strategy and human capital management with the help of HR Analytics



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



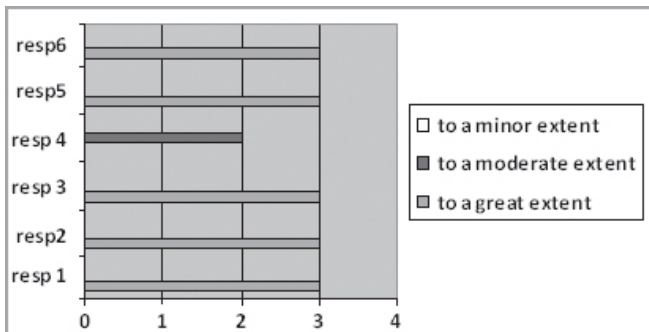
XV. Parameter : Pinpointing HR programmes that should be discontinued with the help of HR Analytics



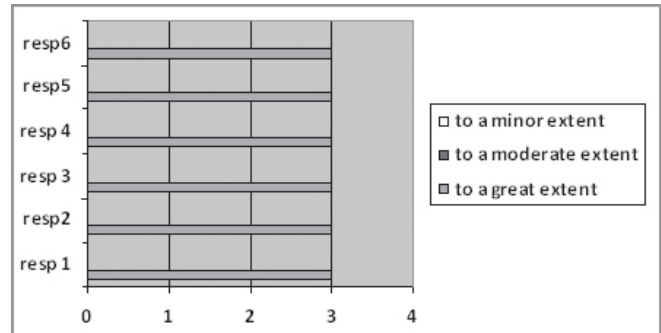
Individual Interpretation of responses from organizations (three private and three public sector companies)

The following results

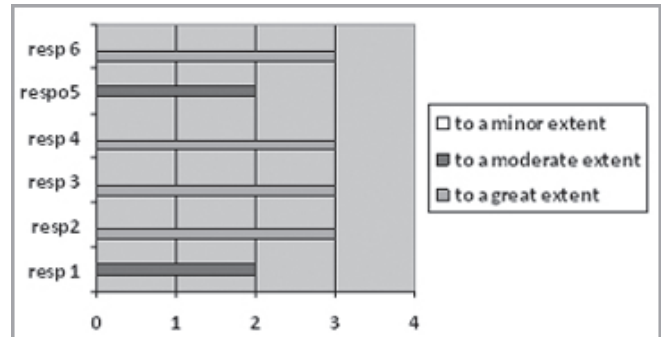
Q1. Is HR department of our organization capable of identifying proper data for analysis?



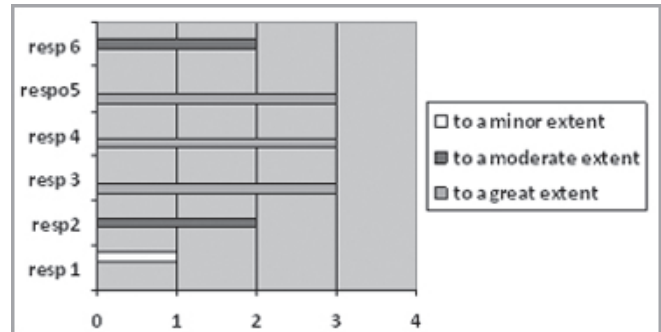
Q2. Is HR Department of your organization capable of accessing data and influencing others for obtaining the data for them?



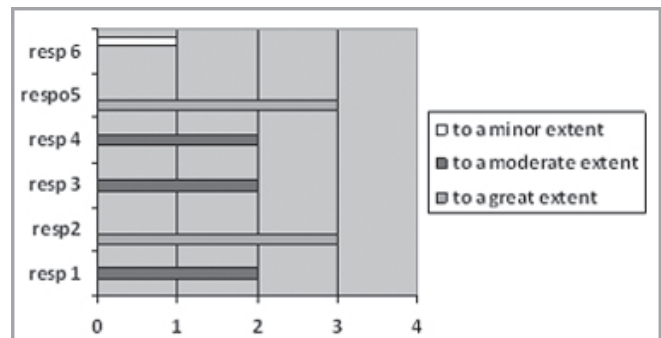
Q3. Is HR Department of your organisation capable of performing root cause analysis (identify causal paths)?



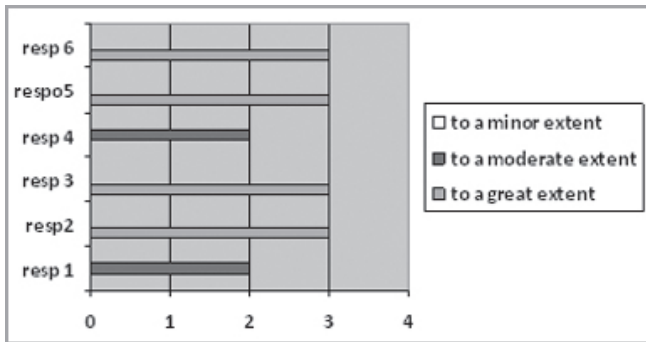
Q4. Is HR Department of your organization capable of writing reports and making statistical results understandable?



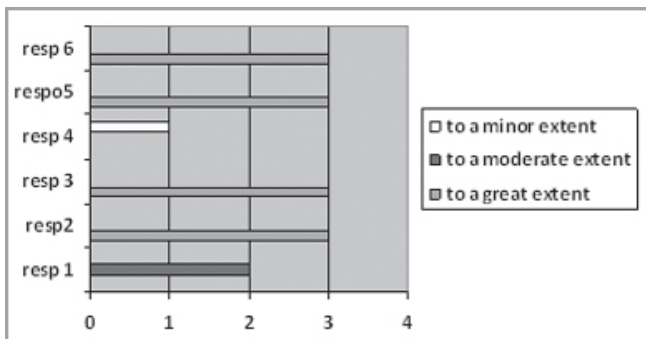
Q5. Is HR Department of your organization capable of effectively presenting analysis to cross-disciplinary audience?



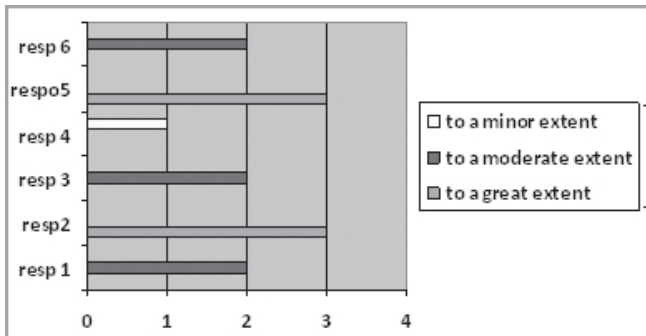
Q6. Is data for analysis frequently used in your organization?



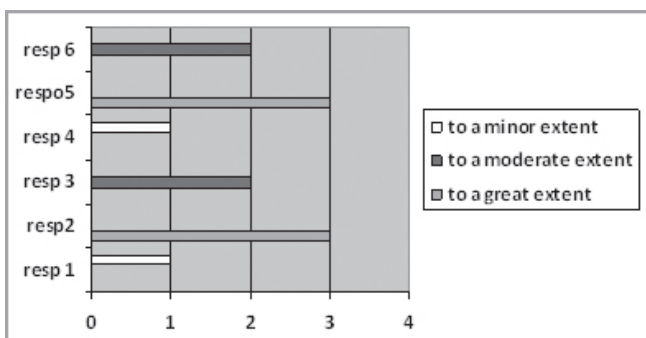
Q7. Is HR Analytics used to measure routine HR process execution (payroll, benefits, communication, etc.)



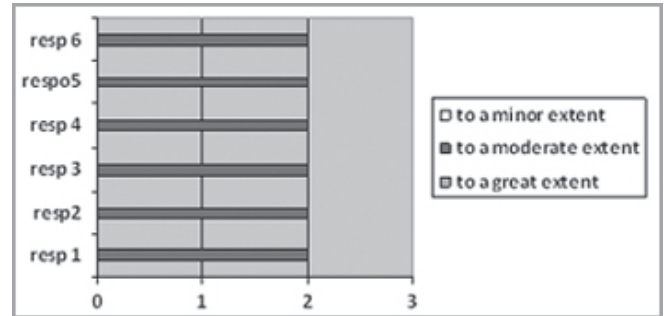
Q8. Is HR Analytics used to assess and improve the HR Department operations in your organization?



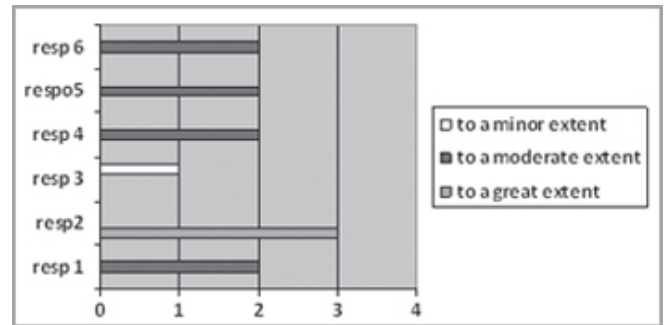
Q9. Does HR Analytics in your company support organizational change efforts?



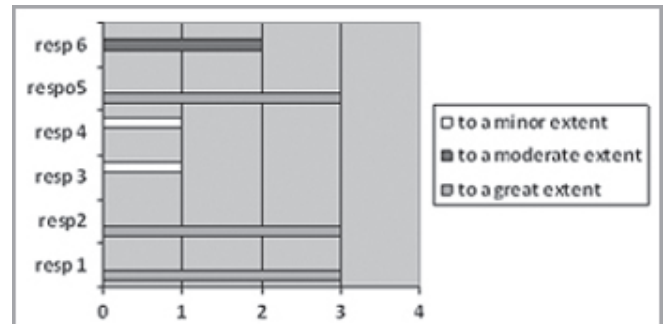
Q10. Does HR Analytics in your organization help measure the cost of providing HR services?



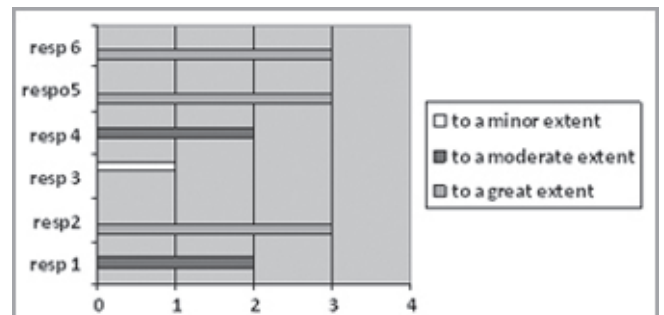
Q11. Does HR Analytics in your organization help make recommendations and decisions that reflect company's competitive situation?



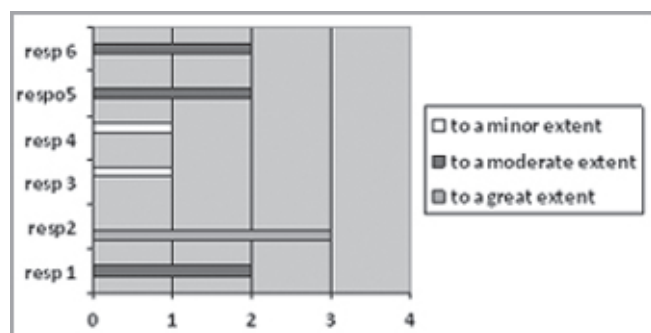
Q12. Does HR Analytics help evaluate the effectiveness of HR programmes and practices in your organization?



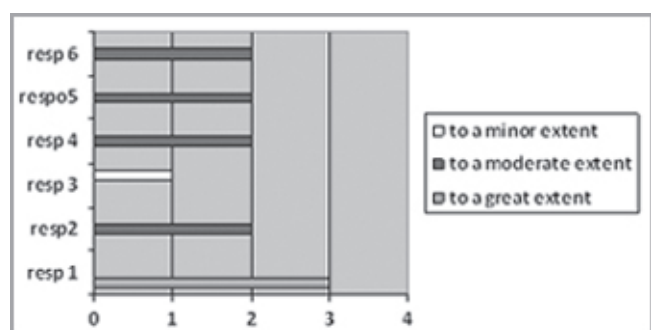
Q13. Does HR Analytics in your organisation contribute to decisions about business strategy and human capital management?



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



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



Interpretation and Discussion

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

5. Limitations of The Study and Scope for Further Research

The sample size being small, statistical tools, SPSS

was not resorted to. Future research can be done in this direction with a pan India coverage.

6. Conclusion

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

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

Appendix

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

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

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

The results were quite impressive.

Calculation for the bar graph:

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

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

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- <https://www.analyticsinhr.com/>
- <https://www.analyticsinhr.com/blog/what-is-hr-analytics/>
- <https://www.forbes.com/forbes/welcome/?toURL=https://www.forbes.com/sites/bernardmarr/2016/03/01/the-8-hr-analytics-every-manager-should-know-about/&refURL=https://www.google.co.in/&referrer=https://www.google.co.in/>
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- "Taking a Long Data View for Effective Workforce Analytics", by Howes, Julia (Source: *Workforce Solutions Review*. May2014, Vol.5 Issue 2, p5-8. 4p.)



Perspectives

Biomass Gasification – The Green Energy for Industrial Heat & Power

Jayabrata Mukherjee

GP Green Energy Systems Pvt. Ltd.

Introduction

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

Biomass – a potential source of energy

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

GP Green Energy Systems Pvt. Ltd. - An example

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

In this system, biomass – the solid carbonaceous material is converted to a gaseous fuel in a reactor

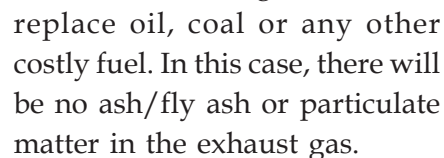


by a series of thermo-chemical process in presence of controlled air and water. Gas thus produced, popularly known as Producer Gas, contains CO (24-26 %), H₂ (10-12 %), CH₄ (1.5-2 %), CO₂ (8-10 %), O₂ (<1 %) and N₂ (the rest), having GCV in the order of 1,200 – 1,400 Kcal/Nm³. However, before use of this gas, it is important to clean and cool the gas thoroughly, since the gas contains sticky tar, particulates and other impurities. GP Energy has developed the technique to purify the gas elaborately in stages to ensure that the tar and particulate content in the gas remains below 10 mg/Nm³.

GP Biomass Gasification Plant – the producer of green energy

Thermal Energy

Since producer gas is combustible in nature, the same can be fired with the help of a suitably designed burner. Temperature up to 1000°C can be achieved by burning the above gas. This is how boiler, furnace, oven etc. can be gas - fired to

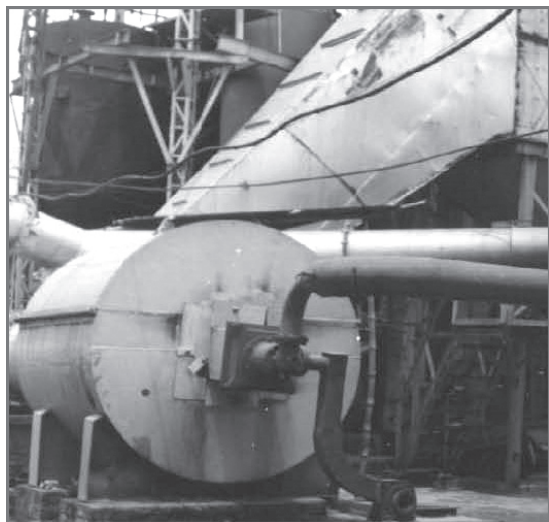


GP Energy has already successfully designed, manufactured and commissioned more than hundred systems starting from 10 kW up to megawatt size in various industries in food, paper, textile, ceramic, metal industries, etc. The

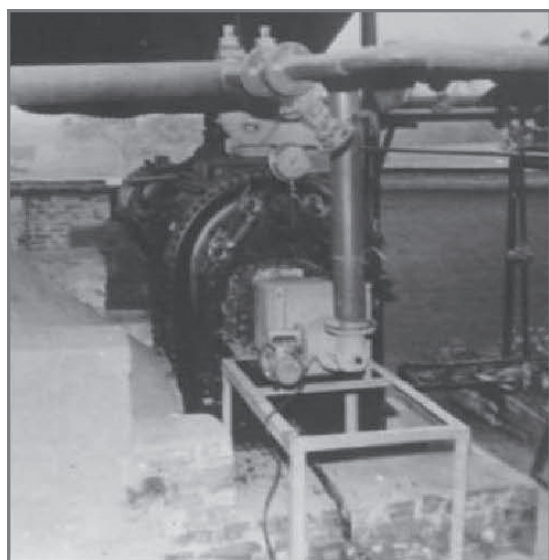
systems have also been exported to Pan-Asian and South American countries. Very interestingly, one GP System is installed to run a Rice Mill as a “Zero Energy Mill” where the entire required energy for electrical power, firing of boiler and air heating for the mechanical dryer is generated from its own-produced rice husk, which is a waste material out

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



Hot air generation for Mechanical dryer by Producer Gas



Boiler firing by Producer Gas

Government Support

India can very well boast of being the only country in the world to have an exclusive Ministry for New & Renewable Energy, where GP Energy is an approved manufacturer. Capital subsidy is provided by the said ministry to the entrepreneurs, who come forward to adopt the inexpensive,

environment – friendly system. Moreover, 80% depreciation of the same project is allowed in the first year itself by the Income Tax Authorities. In addition, tax holidays and preferential tariff are provided to the Independent Power Producers (IPPs).

Environmental Impact

We all know that present society faces potentially rapid changes, because of human activities, that alter the atmospheric environment and change the earth's radiation balance. Some is absorbed and re-emitted in all directions by greenhouse gas molecules. The effect of this is to warm the earth's surface and the lower atmosphere. The gases are CO₂, CH₄, NO, HFC, PFC etc. Biomass burning necessarily produces CO₂, the principal greenhouse gas responsible for global warming, but as the same gas is used by the living plants, the net emission is considered to be zero and biomass-based energy is regarded as "Carbon-neutral".

Limitations

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

Conclusion

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

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

Total Quality Management and its Applications for Business Growth

Subrata Kar

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Introduction

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

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

In the early twentieth century, quality management meant inspecting products to ensure that they met specifications. In the 1940s, during World War II, quality became more statistical in nature. Statistical sampling techniques were used to evaluate quality, and quality control charts were used to monitor the production process. In the 1960s, with the help of so-called "quality gurus," the concept took on a broader meaning. Quality began to be viewed as something that encompassed the entire organization, not only the production process. Since all functions were

responsible for product quality and all shared the costs of poor quality, quality was seen as a concept that affected the entire organization. The meaning of quality for businesses changed dramatically in the late 1970s. Before then, quality was still viewed as something that needed to be inspected and corrected. However, in the 1970s and 1980s, many U.S. industries lost market share to foreign competition. In the auto industry, manufacturers such as Toyota and Honda became major players. In the consumer goods market, companies such as Toshiba and Sony led the way. These foreign competitors were producing lower-priced products with considerably higher quality.

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

Customer Focus

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

Continuous Improvement

Another concept of the TQM philosophy is the focus on continuous improvement. Traditional

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

Employee Empowerment

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

Team Approach

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

Quality Journey in India

Indian companies are also participating in the quality race, although slowly. They are facing a challenge from the multinational companies since the Government of India implemented the policies

of liberalization, privatization and globalization. In the light of this, the Indian companies are in dire need of new ideas, approaches and techniques for attaining a competitive edge.

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

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

TQM in Indian Companies through Deming Prize

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

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

The Japanese Union of Scientists and Engineers (JUSE) started the Deming prize in 1951. Initially,

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

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

- ↳ **2012:** Tata Steel Limited (India)
Rane (Madras) Limited (India)
Lucas-TVS Limited (India)

TQM Journey of TATA Steel

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

After winning the Prize

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

Learning

Compulsion of competitive business environment is not merely to do well, but to do well than the

competitiveness. This challenging situation is compelling industries to opt for new strategies leading to superior performance: the goal of TQM system. This calls for rethinking and reworking of an organization's existing processes, position, posture and attitude with a view to transforming the organization to enable it to cope with the changing context of business, where customer is king.

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

1. Globalization has thrown new challenges as well the opportunities.
2. Implementation of TQM leads to improvement in performance.
3. Culture is an important issue for the success of TQM.

4. Awards, models provide a roadmap - a framework for excellence.

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

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Case Study

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

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Abstract

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

Keywords: Advertising, Brand Promotion, Just Do It Campaign

I. Introduction

The roots of Nike are on a running track at the University of Oregon, which is where the two

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

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

The mid 1980s were awkward times. The company had to overhaul much of its infrastructure and failed to take advantage of the aerobics boom. However it emerged stronger and more competitive. One reason for this was Nike's relationship with a young basketball star called Michael Jordan. His first signature shoe, the Air Jordan, was banned by US basketball authorities and became so prized that an unofficial secondary

market developed with prices well above retail. 1987 was a momentous year in which ‘Visible Air’ was introduced for the first time, seen in a ground-breaking commercial set to the Beatles’ song ‘Revolution’, which somehow caught the spirit of mass enthusiasm for playing sport and being physical. In that year, Nike also introduced the first Cross-Trainers, multi-functional shoes for people with multiple sporting interests.

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

In this era of competitive market, businesses are struggling to compete each other in order to be on the top of the world. Advertising is an important tool that can help businesses to be known and remembered by consumers. It has been defined that advertising is a communication tool that activate and attract the consumers to purchase goods and services which it can be informative and persuasive in nature. Businesses and non-businesses organization are using this advertising method to get acknowledgement and attention from their customers. While, according to Kotler and Keller (2016), “Advertising can be cost-effective way to disseminate messages,

whether to build a brand preference or to educate people. Even in today’s challenging media environment, good ads can pay off.” Through advertising, people can be educated by providing the good information and knowledge to be shared for betterment in future. There are several objective of advertising that has been classified by Kotler and Keller (2016), whether they aim to inform, to persuade, to remind, or to reinforce. Advertising can be made through newspapers, television, direct mail, radio, magazines, outdoor, yellow pages, newsletters, brochures and also telephone (Kotler and Keller, 2016).

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

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

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

II. Business Background

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

In addition to that, NIKE Inc.'s brands include: NIKE Brand, Jordan Brand, Hurley and Converse. Nike Inc. mentioned in their 2015 Annual Report (2015) that: "We focus our NIKE Brand product offerings in eight key categories: Running, Basketball, Football (Soccer), Men's Training, Women's Training, Action Sports, Sportswear (our sports-inspired lifestyle products) and Golf.

Basketball includes our Jordan Brand product offerings and Men's Training includes our baseball and American football product offerings. We also market products designed for kids, as well as for other athletic and recreational uses such as cricket, lacrosse, tennis, volleyball, wrestling, walking and outdoor activities."

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

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

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

Nike's advertising has been as diverse as its athletes. Much of it has featured top names, but not all. One of the commercials that launched 'Just Do It' featured an elderly runner in his 80s with false teeth. Ordinary athletes, people who might not even describe themselves as athletes, have found direct inspiration from Nike advertising. Nike adverts have featured celebrities as diverse as Dennis Hopper, Spike Lee and Bugs Bunny. A

famous basketball star, Penny Hardaway, was given a puppet as an alter ego. The Brazilian football team was famously let loose in an airport during the 1998 World Cup.

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

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

“Just Do It” advertising campaign implemented by NIKE Inc. has changed the brand perception of NIKE where people valued the brand even more, and consumers are willing to pay more in order to own the products by NIKE due to their quality, style and reliability. Center for Applied Research (n.d.) states that after the “Just Do It” campaign, the NIKE brand become stronger compared to other giant company such as Coca-Cola, Gillette and Proctor & Gamble. The “Just Do It” campaign was named after a meeting of Nike’s advertising agency, Dan Weiden and Kennedy with the employees of NIKE. As they are having the meeting, Dan Weiden admiringly told the NIKE’s employees like, “You Nike guys, you just do it.”, as reported by the Center of Applied Research (n.d.). Odimp (2012) explained

that the logo ‘just do it’ is an important message that gives the ideology that whatever people want to do, they can just do that without having to consider the effects on others, whether it is good or bad.

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

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

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

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

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

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

Linking the Campaign to Consumer Needs

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

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

Celebrity endorsements also appealed to the consumers' sense of belonging and "hipness," as Nike became a self-fulfilling image prophecy: if you want to be hip, wear Nike; if you are hip, you are probably wearing Nike. The "Just Do It"

campaign was able to turn sweaty, pain-ridden, time-consuming exercise in Nike sneakers into something sexy and exciting. Perhaps most importantly, even those who were not in fact exercising in Nikes (the vast majority) still wanted to own them. By focusing on the aura and image conveyed by the fitness culture, Nike was able to attract those who wanted the image without incurring the pain.

Linking the Campaign to Strategy

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

Why was the Campaign Successful?

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

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

IV. Competitors Of Nike Inc.

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

V. Objectives Of The Case Study

The objective of this case study is to:

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

VI. Analysis On Advertising Method For Nike Inc.

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

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

VII. Conclusion

In conclusion, advertising practices of Nike Inc. has brought their brands to the higher level compared to other similar brands. In addition, the great representative by Nike Inc. plays strong

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

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Book Review

Trust Factor: The Science of Creating High-Performance Companies

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

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Prologue:

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

A snapshot of the book under review:

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

Introduction:

The author, a neuroscientist cum economist from USA, in an effective raconteur style, sets out to narrate what happened in his first-ever organizational culture experiment in a rain forest

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

Chapter 1:

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

Chapter 2:

Ovation: This refers to praise publicly and unexpectedly. Ovation will have the largest impact on brain and behavior when it is public,

unexpected, tangible, personal, comes from peers and is close in time to the goal that was met or exceeded.

Chapter 3:

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

Chapter 4:

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

Chapter 5:

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

Chapter 6:

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

Chapter 7:

Caring: This refers to building relationships. Caring promotes empathy and social bonds, from

which engagement springs. If employers care about employees, the latter will care about the former. This, in turn, will build trust.

Chapter 8:

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

Chapter 9:

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

Chapter 10:

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

Chapter 11:

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

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

Epilogue:

The author therefore uses neuroscience to measure and manage organizational culture to inspire teamwork and accelerate business outcomes. He applies neuroscience to organizational culture to demonstrate that high trust improves the triple bottom line and explores ways in which managers

can create and sustain a culture of trust. The book shows leaders of organizations how to create and sustain a culture of trust. The old adage “trust begets trust” is true, and neuroscience proves it. By using hard science to optimize soft skills, *Trust Factor* offers a fresh approach to understanding why we behave as we do and how to spur dramatic, positive changes in even the most entrenched workplace cultures. A worthy and must read indeed.

Mapping Innovation

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

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Introduction

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

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

In the first step it says that “How well is the problem defined?” And here the book has come

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

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

A brief overview of the four types of innovation

Basic Research: This calls for a situation when someone wants to discover something completely new and unfortunately neither the problem nor the domain is well defined. Some firms like IBM and Microsoft, attract world-class talents from all over the world and allows them to see 5, 10, or 20

years down the road. In the recent past some of the firms have taken partners directly from the academia so that they don't have to wait for results to be published publicly. The firms offer high incentives to the academic researchers which ultimately make them understand what change is likely to come down the line.

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

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

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

Conclusion

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

INTRODUCTION

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

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