



p-ISSN : 0974-8032
e- ISSN : 2278 6120

INTEGRAL REVIEW

A Journal of Management

(Indexed at J-Gate and EBSCO)

Vol. 7 No.1

IRJM

June-2014

**Department of Business Management
Faculty of Management and Research**

INTEGRAL UNIVERSITY

Lucknow-226026

U.P. (India)

INTEGRAL REVIEW

A Journal of Management

Chief Patron

Prof S. W. Akhtar

Vice Chancellor
Integral University

Patron

Prof S. M. Iqbal

Chief Academic Consultant
Integral University

Editor-in-Chief

Prof. Aftab Alam

Dean, Faculty of Management and Research
Integral University

Sub-Editor

Dr. Adeel Maqbool

Associate Professor
Head, Dept. Of Business Management
Integral University

Managing Editor

Anis Ur Rehman

Assistant Professor
Dept. Of Business Management
Integral University

Advisory Board

Prof. I. A. Khan

Registrar
Integral University

Prof. T. Usmani

Pro Vice Chancellor
Integral University

Prof. Ashfaq Ahmad Zilli

Dean, Faculty of Engineering
Integral University

Prof. D. C. Thapar

Academic Consultant
Integral University

Prof. Azhar Kazmi

College of Industrial Management
King Fahad Univ. Of Petroleum & Minerals
Dhahran, Saudi Arabia

Prof. Shahid Siddiqui

Marketing & International Business
Long Island University
C.W. Post Campus, USA

Prof. Mirza S. Saiyadain

Dean, Faculty of Business
BSAS University, Chennai
Tamil Nadu

Prof. Serajul Bhuiyan

Faculty of Mktg. Comm. & Media
University of Auburn
Montgomery, USA

Prof. Kaleem Mohd. Khan

Faculty of Mgmt. Studies & Research
AMU, Aligarh

Prof. Abid Haleem

Faculty of Engg. & Technology
JMI, New Delhi

Dr. Tauhidur Rahman

Associate Professor
Dept. Of Agriculture and Resource Economics
Arizona University, Tucson, USA

Dr. Jabir Ali

Associate Professor
Centre for Food & Agribusiness Mgmt.
IIM, Lucknow

Associate Editor

Asma Farooq

Dept. Of Business Management
Integral University

Rizwana Atiq

Dept. Of Business Management
Integral University

Dr. Gaurav Bisaria

Dept. Of Business Management
Integral University

Zahid Raza Khan

Dept. Of Business Management
Integral University

C O N T E N T S

<i>Author(s)</i>	<i>Research Papers</i>	<i>Page No.</i>
<i>Rajul Dutt</i>	Impact Of E-marketing On Socio-cultural Factors In Indian Perspective	1-8
<i>Shibu John</i> <i>Ali Ahmad Firdausi</i>	Managing Conflicting Roles: Experiences Of Indian Working Women	9-24
<i>Shad Ahmad Khan</i>	Comparison And Analysis Of Leave System Of Royal University Bhutan And Aligarh Muslim University With Respect To Improve The Leave Rules Of Rub	25-35
<i>Yogita Beri</i>	Wage Differential From Gender Perspective	36-47
<i>L.N.Koli</i> <i>Anisha Satsangi</i>	Corporate Accounting Standards Disclosure Practices And Pattern Of Indian Banking Sectors- A Case Study Approach	48-63
<i>Masroor Ahmad Beg</i>	Changing Dimensions of India's Current Account : Role of Gold & POL	64-74
<i>B. Angamuthu</i>	CASE STUDY : A Study On Business Owners' Satisfaction In The Direct Selling With Special Reference To Amway India	75-90

Editorial Note

At the advent of present scenario, India's economy is marching ahead to tackle the world's toughest social and environmental problems. The year 2014 from the very beginning has had limitless challenges, to break the boundaries, forging unexpected alliances, and exploring creative solutions to transform the economy at par in the world. The new Government has to stress the need for a peaceful business environment and to keep the focus on restoring economic growth. Simultaneously, new developments in data science have offered a tremendous opportunity to improve decision-making with Machine learning, pattern recognition, and other predictive analytics tools which can constitute a source of competitive advantage. It is for those companies that adopt early on; but like any new capability it has been viewed that there is an enormous gulf between awareness, intent and early engagement, and achieving significant business impact.

Apart from the gamut of various activities, the most important one is the need of a successful CEO, who at least can make decisions with confidence and has a leverage to prove methods, tools and techniques for developing and communicating the business value of the organization. The process of building scenarios starts with looking for driving forces that influence the outcome of events. The driving forces are the elements that move the plot of a scenario, and determine the story's outcome. Underlying driving forces usually include social dynamics, technological issues, economic issues, political issues, environmental realities, technological change, political, economic and social policy, demographics, international environmental institutions, and maintaining a coherent world commodity market together..

To meet today's market demand fully depends upon specified demographic. The demographic may be based on factors such as age or gender, or involve the total amount of sales that are generated in a particular geographic location. Assessing market demand is one of the most important way that helps businesses decide what to sell and how to go about selling the products they produce. Properly assessing the market demand for a given product is very important. Failure to accurately project the desirability of a good or service can lead to production levels that are in excess of the number of units that will actually be sold. As a result, the company is left with a huge inventory of finished goods that generate no profit at all. In some cases, failing to project market demand properly is enough to force a company to go out of business.

The most common way to evaluate the desirability of goods and services within a given demographic is to implement a structured market demand analysis. Essentially, this process seeks to identify consumers who are attracted to the products enough to actually purchase them. As part of the market analysis, the research helps to identify the size of the market. This makes it possible to determine if the company needs to cultivate consumer interest in a particular demographic in order to generate new business or cultivate several different markets concurrently as a means of remaining profitable.

Talking in the same tune, we keep our determination abreast and move on to inculcate modern research with the same. The issue volume 07 No.1 integrates each research with the same theme and quantifies it with suitable business advantage. The first paper focuses dedicates on 'Impact Of E-Marketing On Socio-Cultural Factors In Indian Perspective' and gives a true fervor of e-business. The second paper deals with 'Managing Conflicting Roles: Experiences of Indian Working Women' and modifies a true manifest of the day. Third paper apprehends towards 'Comparison and analysis of leave system of Royal University Bhutan and Aligarh Muslim University with respect to improve the leave rules'. The fourth paper assimilates on 'Wage Differential from Gender Perspective' how it has an indifferent results. The fifth paper has shown a quantum issue of 'Corporate Accounting Standards Disclosure Practices and Pattern of Indian Banking Sectors - A Case Study Approach'. The Sixth paper is very much adequate towards 'Changing Dimensions of India's Current Account Deficit: Role of Gold and POL' and gives a true picture on its own. The seventh and last paper gives an ascent of 'A Study on Business Owners' Satisfaction in the Direct Selling with Special Reference to Amway India'.

Overall the research papers have an indelible treasure which would have not been possible without the help of my worthy contributors. Last, but not the least, I would like to thank the reviewers who have assisted me and helped in all respects in bringing out the journal on time.



Prof (Dr.) Aftab Alam
Editor-in-chief

IMPACT OF E-MARKETING ON SOCIO-CULTURAL FACTORS IN INDIAN PERSPECTIVE

Rajul Dutt¹

Abstract

***Purpose:** Social marketing is a new concept in E-Marketing to cover areas of social significance. It helps companies to bridge the distance between consumer wants and interests with social welfare. This paper attempts to examine the influence related to social and cultural aspects pertaining to E-Marketing.*

***Methodology:** An experimental study is undertaken to investigate how socio-cultural factors can be integrated with technology and develops a theoretical framework of cultural analysis. Sampling technique was employed. Sample of 30 companies were asked to fill up the structured questionnaire. Data collection comprises of both primary data and secondary data. The data was analyzed using the Quantitative and Qualitative methods*

***Findings:** The findings of the research reflect that majority of the companies believes that they are very successful in meeting the social objectives by providing informative and educative advertisement for the welfare of the society and has been a great success in providing the Social benefits to the consumers*

Key Words: Social , Culture, Sub-culture, E-Marketing, welfare, Professor & Director, JP School of Business, Meerut

1. Introduction

The society is always influenced as we advance in technology, Internet technologies gave new opportunities to the whole world to give importance to the social life of people. The internet has taken place a major communication for business all over the world. The government should ensure that everybody would get access to the internet. At least they must know how to use the content and services of internet. This is called information literacy. To ensure the global access to the internet education for everybody is a must as without it the internet will become an elite information infrastructure. Now people can associate more freely online because they are not bound by geographical boundaries.-

Social marketing is twofold-

1. Dr. Rajul Dutt is Professor & Director, JP School of Business, Meerut

The first is that it is concerned with the social responsibility of marketers towards customers. This gives economic benefits to the firms and social benefits to the customers.

The second is to give them social learning to adopt new ideas, attitudes and practices regarding the rising social needs. It is a process for getting desired response from the consumers.

Social objectives:

The social objective of a business have its obligation to the customers, suppliers ,employees, government and general public It thus requires .

- 1) Initiation
- 2) Good quality products and services at fair prices to the customers.
- 3) Social responsibilities for spreading literacy
- 4) Using fair trade practices.
- 5) Marketing segmentation-dividing the market into distinct segments based on the needs and attitudes.
- 6) It should influence the behavior of the target market groups with a view to get desired results.
- 7) The role of the markets is to find out viable product and analyze the consumers' perception of the problem and later on giving its solution.
- 8) It requires social advertising.
- 9) Periodical evaluation and adequate performance standards are to be developed.

Cultural Factors-

Culture is the most fundamental determinant of a person's want and behavior. .It influences considerably the pattern of consumption and the pattern of decision making. Marketers have to explore the cultural forces and have to frame marketing strategies for each category of culture separately to push up sales of their products or services However culture is not permanent and changes gradually and such changes are progressively assimilated within society. Culture is passed on from one group member to another and in particular is usually passed down from one generation to the next, it is learned and is therefore both subjective and arbitrary.

While culture generalities are interesting and useful it would be dangerous to make assumptions about individuals from within a culture differ more than do the cultures from each other ie the most individualistic Indian is a great deal more individualistic than most conformist American . Having said that such generalizations are useful when approaching mass markets and are widely used when planning mass advertising campaigns such as TV commercials. Culture can change over a period of time although such changes tend to be slow ,since culture is deeply built into people's behavior From a marketing point of view therefore it is probably much easier to work within a given culture than to try to change it.

Literature Review

India is uniquely positioned and it has to start from the scratch. There is a need to develop high speed, long distance between backbone networks that will interconnect the entire world. The existing business rules need to undergo radical changes and new business strategies have to be evolved. Though much has been done in developing countries in the area of E-Marketing, we don't have many studies on this aspect in India to supplement the general observations and findings of the western social scientists. With E-Marketing gaining status as a major social force, it is worthwhile to see what trends E-marketers are encouraging and how useful and responsible are they in teaching the masses a new, modern and rational life style

David, Rodney and Allison (1989) found three main insights concerning the determinant of managerial computer use which are: firstly, people's computer use can be predicted reasonably well from their intention, secondly, perceived usefulness is a major determinant of people's intention to use computer, thirdly, perceived ease of use as a significant secondary determinant of people's intention to use computer.

John Naisbitt, states that "Telecommunications is the driving force that is simultaneously clearing the huge global and making its parts smaller and more powerful".

Brenkert (2002) for example, after outlining a number of ethical challenges for social marketing, states that "Transparency should be a prime directive for social marketers." His comment is based on the presumption that respect for individuals is a fundamental value for social marketers (see Dignity), and as such, they should not misrepresent the means or ends for social or individual change. This transparency extends to identifying who is involved in social marketing activities and who is financing them. Transparency also includes the right of people to have a say in the process. That is, the people formerly known as 'the target audience' need to become collaborators or co-creators of social marketing programs. Culture can be broadly defined as the beliefs, value-systems, norms, myths, symbols, language, behavior and structural elements of a given group or society (Parsons, 1999; Onibere et al. 2001, Hugo 2002)

OBJECTIVES OF THE STUDY

1. To study how can Socio-Cultural factors be used to facilitate product acceptance.
2. To interpret and analyze the socio-cultural and psychological profile of customers.
3. To study the socio-cultural factors influencing E-Marketing

RESEARCH METHODOLOGY

Sekaran (2000) explained since the focus of research is exploratory, convenience sampling is done for the sampling is done for the sampling purposes, as this method is considered as easy, fastest and most

efficient way to collect the information needed.

Research Design

The study area was confined to western Uttar Pradesh and the sample has been chosen there from. Convenience sampling has been resorted to. The focus was on the study the impact of social and cultural factors influencing E-Marketing. The questionnaire was distributed to a sample population 30 companies.

Data Collection

Data collection comprises of primary data and secondary data. The primary data has been collected through questionnaire and secondary data from related journals and publications. The data was analyzed using the Quantitative and Qualitative methods

Discussions And Findings

The main thrust of this study is an attempt at formulating theoretical basis integrating socio-cultural factors with web-technology. The main aim was to create a new future in terms of designing innovative concepts. It has become imperative to understand culture particularly in Indian context not only to interpret the benefits but also to understand the cultural heritage. Thus, the meaning of the products is realized in a transaction between the user and product.

Modernity, with its rapid developments of technology and industrialization has increased the range of complexity of different things which users have social relations. Products have become more important as they are intertwined with the ways users live their social lives. Culture and everyday life are increasingly being shaped by consumption of products rather than traditional social system. However, the meaning attached to a product may be different in different cultures. Therefore, appropriate information material and technology assist companies perform certain social activities with

Table-1: Classification of companies according to their views regarding Social welfare through Electronic Marketing (Social Welfare refers to overall welfare of the society..Individuals with associated economic activities)

Information		Excellent 5	Good 4	Average 3	Below Average 2	Not Applicable 1
Classification of Companies according to their views regarding social welfare through E-Marketing	Response	3	10	10	5	2
	Percentage	10.0 10.00	33.4 33.34	33.4 33.34	16.7 16.66	6.7 6.66
	Cumulative Percentage	10.00	43.34	76.68	93.34	100.00
	Mean Value = 3.23					

The mean value of Table no 1 is 3.23 .It is therefore concluded that 76.68 % of the companies agreed that they are able to bridge the distance between consumer wants and interest through E-Marketing to a larger degree and are able to fill the gap as regards social welfare .

Table-2: Classification of companies according to their views regarding Social Benefits to customers through Electronic Marketing

Information		Excellent 5	Good 4	Average 3	Below Average 2	Not Applicable 1
Classification of Companies according to their views regarding social benefits to Customers through E-Marketing	Response	4	15	7	1	3
	Percentage	13.34	50.00	23.23	3.33	10.00
	Cumulative Percentage	13.34	63.34	86.67	90.00	100.00
	Mean Value = 3.53					

Development of social class is a common thing in any society. The society inhibits some class which is homogeneous and relatively permanent. The divided social class might bring about individuals/families having similar values ,interest, behavior and lifestyle .Therefore it becomes imperative to study carefully the relationship between social class and their consumption pattern and to take appropriate measures to appeal to people of the desired social class.

The mean value of Table -2 is 3.53 .From the above table it is clear that app. 63.34 %companies are of the opinion that E-Marketing has been a great success in providing the Social benefits to the consumers whereas app. 23.33% believed that it has affected fairly good on social benefits parameter.

Table-3: Classification of companies according to their views regarding meeting Social objectives through Electronic Marketing.

Information		Excellent 5	Good 4	Average 3	Below Average 2	Not Applicable 1
Classification of Companies according to their views regarding meeting social objectives through E-Marketing	Response	9	14	3	3	1
	Percentage	30.00	46.67	10.00	10.00	3.33
	Cumulative Percentage	30.00	76.67	86.67	96.67	100.00
	Mean Value = 3.9					

Social Marketing is a new concept in E-Marketing to cover areas of social significance. It helps the company to bridge the distance between consumer wants and interest with social welfare. As the modern outlook of business, social marketing became the design related to product, pricing, distribution, distribution and marketing research

The mean value of Table -3 is 3.9. Hence the above table proves that app.76.67% companies believe that E-Marketing has been very successful in meeting the social objectives by providing informative and educative advertisement for the welfare of the society.

Table -4: Classification of companies according to their views regarding influencing working women buyers through Electronic Marketing.

Information		Excellent 5	Good 4	Average 3	Below Average 2	Not Applicable 1
Classification of Companies according to their views regarding meeting social objectives through E-Marketing	Response	7	15	5	2	1
	Percentage	23.34	50.00	16.67	6.66	3.33
	Cumulative Percentage	23.34	73.34	90.01	96.67	100.00
	Mean Value = 3.8					

India is witnessing some of the most significant changes in the social status of women as more and more women are studying and are gainfully employed .Due to this they are now exposed to modern technologies and are able to make use of the technology for their own learning and benefits

The mean value of Table-4 is 3.8. It can therefore be concluded that 73.34 % of the companies believes that E-Marketing has played a major role in influencing the working women in buying products through Internet.

Table -5: Classification of companies according to their views in understanding the social heritage of the society through Electronic Marketing.

Information		Excellent 5	Good 4	Average 3	Below Average 2	Not Applicable 1
Classification of Companies according to their views in understanding the social heritage of the society	Response	3	5	11	10	1
	Percentage	10.00	16.67	36.67	33.33	3.33
	Cumulative Percentage	10.00	26.67	63.34	96.67	100.00
	Mean Value = 2.96					

Culture refers to the social heritage of the society. It encompasses the social values, attitudes towards work, language, belief, art, customs, traditions and other capabilities and habits acquired by man as a member of the society. Cultural influences are so pervasive that they are hard to identify and analyze. However, these cultural influences can provide important basis for market segmentation, product development advertising.

The mean value of Table 5 is 2.96. The above table clearly indicates that 63.34 % of the companies believes that E-Marketing has helped them in understanding the social heritage to a great extent in order to frame strategies accordingly.

Table -6: Classification of companies according to their views about benefits of E-Marketing in improving personalized relations.

Information		Excellent 5	Good 4	Average 3	Below Average 2	Not Applicable 1
Classification of Companies according to the views about benefits of E-marketing in improving personalized relation	Response	2	16	9	2	1
	Percentage	6.66	53.33	30.02	6.66	3.33
	Cumulative Percentage	6.66	59.99	90.01	96.01	100.00
	Mean Value = 3.53					

Personalization of life styles has led to an increased refinement of market segments in the luxury and leisure markets. Branding and packaging have come to reflect the desires of consumers for excitement and seriousness by making use of bold colors unusual designs. Most products connote values that relate to work, play, family, etc. Hence this helps in making strategies taking into consideration not to harm or contradict values of buyers

The mean value of Table-6 is 3.53. It is evident from the table that 59.9% of the companies believes that E-Marketing has largely helped them in improving personalized relationship ship with the customers which helps them in retaining the customers for the betterment of the companies

CONCLUSION

As India is a developing economy the scope of social marketing in curbing the social problems through upliftment of society is highly pronounced. This could bring in attitudinal change, ethical values and educating the general public. Since rural economy dominates in India, it has to stress more on rural development. Thus, social marketing for all round growth assumes prominence.

Thus marketer must take care of their social responsibilities and must satisfy the society. Business activities should be conducted according to liking of people.

The research finding show that products have meaningful content that reflects life styles as well as providing personal, social and cultural values that facilitates product acceptance. The product becomes the mediator. Therefore, an elegant, unique appearance on the web-page is important to attract users to the product before they learn how to operate it.

REFERENCE

- Andreasen, A. (2001). Ethics in social marketing. Georgetown University Press: Washington, DC.
- Brenkert, G. G. (2002). Ethical challenges of social marketing . Journal of Public Policy & Marketing; 21:14–25.
- Brooke, M.Z. and Mills, W.R. (2003). New Product Development Successful Innovation in the Marketplace. New York, International Business Press.
- Denzin, N.K. and Lincoln, Y.S. (2005), Qualitative Research. London: SAGE Publications . Etzel, M.J, B
- Golden-Biddle, K. & Dutton, J.E. (Eds: 2012). Using a positive lens to explore social change and organizations: building a theoretical and research foundation. Taylor and Francis: New York.
- McCracken, Grant. 1988. Culture and Consumption: New Approaches to the Symbolic Character of Consumer Goods and Activities. Bloomington: Indiana University Press.
- Lefebvre, R. C. (2012). Transformative social marketing: Co-creating the social marketing discipline and brand. Journal of Social Marketing; 2:118–129.
- Park, Cheol, and Jong-Kun Jun, "A cross-cultural comparison of Internet buying behavior: Effects of Internet usage, perceived risks, and innovativeness", International Marketing Review, 20 (5), 2003, 534-553
- Sheth, Jagdish N. and Arun Sharma, "International e-marketing: Opportunities and Issues", International Marketing Review, 22 (6), 2005, 611-622.
- Schick, I.C. & Schick, T.A. (1989). In the market for ethics: Marketing begins with ethics. Health Progress; 70:72-76.
- Wymbs, Cliff, " How e-commerce is transforming and internationalizing service industries", Journal of Services Marketing, 14 (6), 2000, 463-478.

MANAGING CONFLICTING ROLES: EXPERIENCES OF INDIAN WORKING WOMEN

Shibu John¹
Ali Ahmad Firdausi²

Abstract

The proposed study is an attempt to identify the levels of conflict among three different roles of working women. It focuses on the impact of two independent variables i.e. type of profession and age of the younger child on various dependent conflicting statements. Working women from four different professions, were studied where women have a significant presence. Four hypotheses were tested in the study with the help of SPSS applying one way ANOVA test. Reliability of the data is measured by Cronbach's alpha which is as high as 0.874. The outcome of the study suggests that in most of the cases, type of profession or numbers of children do not influence their conflicting statements. In fact the mean response of most of the statements is between 2.0 to 2.5 which indicate that they agreeing to the conflict statements, except one hypothesis where age of the child does influence physical exercise activity among working mothers..

Key Words: Role conflict, Working women, Children, Work life balance, Multiple roles

1.0 Introduction

Working is defined as the amount of time spent by an individual to carry out a job or task (Brett and Stroh, 2003). Workers are physically bound to their work place and outside office premises for five to nine hours per working day or more. Nowadays, with the advent and advancement of the digital equipments, performing tasks in the workplace has become more flexible in terms of time and location. Mobile technology such as laptops, cell phones, and IPads, and similar others devices enable the employees to execute their work virtually from anywhere and at anytime. Information technology enables working professionals to work beyond office hours and create expectations that managers will keep doing their work even at odd hours, weekends, and other nonstandard times (Kurland and Bailey, 1999).

Effect of stressful nature of work may affect the family adversely, especially, to women employees, involved in long working hours. The effects could be on individual, family as well as organization where they work. At present, Indian women's exposure to employment is substantially higher than it was a few decades ago, especially in the urban areas. This has opened new vistas, increased awareness and has also

1. Dr. Shibu John is Associate Professor, Hamdard University

2. Prof. Ali Ahmad Firdausi is Dean, Faculty of Management and IT

raised aspirations of personal growth. As it is known to us that the Indian families are passing through rapid changes because of accelerated pace of urbanization and modernization. This, along with economic compulsions has been instrumental in influencing women's decision to enter into the job market. Many Indian studies focussing on employed married women have reported that the economic requirements of family are the primary reason for Indian Women to take up paid employment (Shrivastava, 1978)

Women's employment outside the home has a positive effect rather than the, generally, perceived negative impact on marriage. Campbell et al., (1994) studied the effects of family life on women's job performance and work attitude. The result revealed that women with children were significantly lower in occupational commitment compared to women without children. Also, contrary to expectation, women with younger children outperformed women with older children. According to Maskowska, (1995) who studied psychosocial determinants of stress and well-being among working women, significance of the work-related stressors were evidently, greater than that of the stressors associated with the family functions.

1.1 Multiple roles and profession

Multiple role-playing has been found to have both positive and negative effects on the mental health and well-being of professional women (Kopp and Ruzicka, 1993). Rather than following a transitional sequence from one role to another, women are required to perform multiple and distinct roles, simultaneously, under multiple constraints and pressures. In certain instances, (Kopp and Ruzicka, 1993) women with multiple roles reported better physical and psychological health than women with mono type role involvement; hence they cherish more motivational stimulation, self-esteem, a sense of control, physical stamina, and bursts of energy, as compared to non working Women. However, multiple roles have also been found to cause various adverse effects on woman's mental and physical health (Doress and Wortes, 1994). In addition, various factors such as the multiple roles, role strain due to multiple roles, Organization culture & work dynamics and organizational values influence the work life balance among working women (Krishna et al., 2010)

Work life balance is the maintenance of a balance between various responsibilities at work and at home. Working women have to perform different roles in their daily life. Because of high demand of time at work, work and family have increasingly become antagonist spheres, resulting into work–family conflict. These conflicts are intensified by the “cultural contradictions of motherhood”, as women are increasingly encouraged to seek self-fulfilment in demanding careers. They also face intensive pressures to sacrifice their own career for the sake of children by providing “intensive parenting”, and various household activities. Additional challenges encountered by working women are associated with finding of proper, adequate and affordable access to child and elderly care facilities (Hayes, 1996)

The work related variables such as work stress may cause the work roles to interfere with family roles. Similarly, the extent of conflict in the family also impacts work activities, causing more work related conflicts, creating a vicious cycle.

2.0 Literature review

Role conflict is defined as “job roles that interfere with one another” (Drafke, 1998) and “incompatible expectations associated with a social position, such as student, employee, or mother” (Schafer, 1998). Presently (in the contemporary world), women are increasingly breaking the shackles of orthodox traditions that warrant them to be confined to the four walls of their home and remain duty bound as a good wife, or daughter or mother. They are transgressing all the reckless inhibitions on their freedom and now walking side by side to men in all walks of life. The renewed confidence in women is reflecting in their choices to a wide range of professions as their career. They have established their freedom, self-autonomy and personal growth, and are able to express themselves, and are striving hard to achieve their self designed objectives.

Their push to workforce is partly due to economic exigencies of family to maintain a decent standard of living in the face of inflationary pressures and partly due to their innate desire to develop their own identity. Earlier women preferred jobs like nursing, teaching, clerical but now the number of women executives is on the increase. The reasons for such a change are: increase in women's education, changing socio-cultural values, increasing awareness and consciousness in women and the rise in economic independence.

These new roles are the additional to their roles and responsibilities of bearing and rearing children and management of domestic and household affairs. The multiple roles in work and family can be the source of multiple satisfactions for employed women but the combination of career and family roles is often associated with conflict, overload and stress.

Ahmad, Baba and Hassan, (1999) identified work-family conflict as one of the major stressors in the work place leading to various negative outcomes, including impaired wellbeing. When conflict between the two life domains occur the consequences are reflected in both organization and domestic life. For the employers such role conflict means disillusionment, dissatisfaction and strained relations with women employees, their lower standard of work performance and disregard of organizational goals.

Studies on educated working women and role-conflict (Mahajan, 1966; Kapur, 1970; 1973; Srivastava, 1972; Joshi, 1973; Kaul, 1973) found that educated working women, even while holding very responsible posts, continue to be over-conscious of their duties and obligations at home; towards their husband, children. Inner conflict and tension is experienced particularly if they are very keen to play both their roles very efficiently and are desirous of paying equal attention to their home and work. Problems are then faced particularly in those cases where the wife has to devote more time and energy to

her too absorbing job or profession because of its immediate compulsions and she feels guilty that she has not been able to attend to her husband, home and children.

According to Srivastava, (1972), Role-conflict was felt among married working women, mainly because, the perception to herself, to the society as a whole, as a mother and home-maker, has not undergone much change since she is contributing economically to her family. She still feels that her home and children are her prime responsibilities and she continues to be predominantly governed by this role since that was also the social norm.

The conflicts arising out of women performing double role at home and place of work makes sense only on the backdrop of this patriarchal-bourgeois concept of society according to which woman is defined by her biological functions. This is truer in the case of women who are working in the organized sector. With the two contradictory roles which demand her time and energy, often put her in conflicts (Yasmin and Ahmad, 2011).

Kapoor, (1979) has opined; “Now she has two roles to perform, one as a house wife and the other as a wage earner. Both these roles make demand on her time and energy. She is quite often torn between the conflicting pulls of the dual role. The outer reality characterized by conflict in roles creates inner conflict in mind. He has rightly observed, “In the transitional era there is a role-confusion because of the absence of fitness between her roles as an employee and as a house wife because of the tension that is created due to her inner conflict.” This gets reflected overtly in many forms and creates conflicting social situations, thus further aggravating the intensity of conflict.

The entry of women in the job market is not accompanied with a simultaneous shift in the social division of labour. The sex role ideology emphasizing upon different domain of activities for men and women still exerts considerable influence on the public psyche. Even most of the dual earner wives continue to view themselves primarily as homemakers, and their work status did little to alter their sex role orientation (Rajadhyakasha and Smita, 2004).

There are contradictory role expectations from working women while she is at work and at home. On professional front she is expected to be committed, dynamic, competitive, straight forward, and non-sentimental and act in a “business like” manners while at home, she is supposed to be sweet, soft, sensitive, adaptable, gentle, unassertive and domesticated (Misra, 1998). As an ideal woman she wants to fulfil the duties of a faithful wife, a sacrificing mother, obedient and respectful daughter in-law and an efficient and highly placed career woman. These contradictory expectations cause the most confusion, tension and create many other problems for her. A woman employee finds it difficult to do justice to the two roles at the same time. An attempt to play one of the roles with perfection leads to an inadvertent sacrifice of the other role.

Carter, (1978); Oliver and Brief (1977) found a positive relationship between role conflict and job

related tensions among working women. Singh and Sinha, (1984) found that general role conflict positively related with job related tensions and work alienation.

Balancing of official work, household work and child care could become strenuous which can result in work-family conflict. This can be very costly to both organisations and employees (Posing and Kickul, 2004). Work-family conflict is “a form of inter-role conflict in which the role demands stemming from one domain (work or family) are incompatible with role demands stemming from another domain (family or work) (Greenhaus & Beutell, 1985; Kahn et al., 1964).

The disparity between job requirements and employee's personal values may create state of role conflict (Schultz and Schultz, 2004). Role conflict occurs when compliance with one role obligations makes it more difficult for an individual to comply with another (Robbins and Judge, 2008). The research studies on role conflict suggest that role conflict leads to mal-integration in the work place, poor performance, lower institutional commitment and higher rate of resignations (Corbin, 1998).

Since society is not separate from organizations, the negative impact of role conflict will have its effects on the society in the form of lower standards of performance, lower quality of goods and services and a growing feeling of interpersonal conflict. There is, therefore, a growing recognition by policymakers of the importance of supporting women in juggling work and family life (Evandrou, et al., 2002).

3.0 Methodology

Three role conflict scales, developed for the purpose have seven items relating to a conflict situation between two of following three role combinations. Each item is a statement expressing a possible conflict between the demands of two roles and each item is supported by five options to respond from strongly disagree to strongly agree.

Role conflict scales:-

1. Professional – Parent:- supporting your child's recreational activities versus spending time on your career development
2. Professional – Self:- wanting to be recognized at high level in terms of work versus wanting to maximise your personal development
3. Parent – Self:- giving priority to your family versus giving priority to yourself

To have a wider coverage of the respondents, a sample of 110 married working women, aged between 25 and 50 years with minimum one child, has taken for the Study. For this purpose we have identified four different professions where women have a significant presence. These are Physicians or doctors, Engineers (IT), Teachers and Administration or Management professionals. A sample of 25 to 30 from each profession has taken in the study. The obtained data is analyzed using descriptive and inferential statistics. Pearson's Correlation is used to find the relationship between different variables.

Four hypotheses were developed in the study. One way ANOVA and Post hoc tests are done to test the significance in order to test the hypotheses.

A 5 point Likert scale questionnaire is used, which measures role conflict among working women. The questionnaire was divided into three sections of questions. Each section dealt with different conflict situations i.e Professional – Parent, Professional – Self and Parent – Self. All respondents were asked to indicate the extent to which they agree with each item. The responses range from 1 (low internal conflict) to 5 (high internal conflict). Higher scores indicate high level of conflict between two different roles, while lower scores indicate low or negligible levels of conflict. The data is analysed with the help of SPSS applying one way ANOVA test. Significance levels among various independent variables were identified through correlation coefficient.

3.1 Objective

The proposed study is an attempt to identify the levels of conflict among three different roles of working women i.e. as Professional, as Parent and as Individual in contemporary societal context.

3.2 Hypothesis

Following four hypotheses were tested in the study. These are

Hypotheses No. 1:-

H₀ - For working women, age of their children has no role when it comes to doing regular physical exercise

H₁ - For working women, age of their children has greater role when it comes to doing regular physical exercise

Hypotheses No. 2:-

H₀ Age of the children has no role for working women, when it comes to taking a break from job for children's upbringing

H₁ Age of the children plays a crucial role when it comes to taking a break from job for children's upbringing.

Hypotheses no. 3

H₀ Profession has no role among working women for spending adequate time with children

H₁ for working women, spending adequate time with children is influenced by type of profession they are into

Hypotheses no. 4

H₀ Type of profession has no role among working women when it comes to concentrating on career growth

H₁ Type of profession plays important role among working women when it comes to concentrating

on career growth

Reliability of the data is measured by Cronbach's alpha test. It measures for internal consistency of the data. The value of Alpha is 0.874 which is obviously very significant. This value of alpha can be expressed as evidence that the items in the study are closely interrelated and the responses are consistent.

4.0 Findings

The current study explores the status of Role Conflict among three roles, frequently played by working women today. Data were analysed with SPSS and the reliability of the data is checked through chronbach alpha. The observed value of chronbach alpha is .874. The high value shows the consistency of the responses. As explained earlier, all four hypotheses were tested with one way ANOVA. The study explains the relationship between two independent variables i.e. types of profession & age group of younger child, and their response with reference to various conflict situations.

Correlation matrix is also prepared to see the significance level between dependent variables. Table no. 1 shows the correlation matrix between combinations of different important variables. The value shows high significance between most of the combinations of dependent variables. The high values are highlighted and underlined.

Table no. 1: Correlation Matrix of different variables

Variables		Recreational activities	Attending Social events	Attending Family Functions	Spending time with children	Time for children education	Going out with children	Children's medical care	Concentrating on career
Recreational activities	Pearson Correlation	1							
Attending Social events	Pearson Correlation	<u>.590**</u>	1						
Attending Family functions	Pearson Correlation	<u>.514**</u>	<u>.678**</u>	1					
Spending time with children	Pearson Correlation	<u>.413**</u>	<u>.417**</u>	.360**	1				
Time for children education	Pearson Correlation	.265**	.328**	.224*	.531**	1			
Going out with children	Pearson Correlation	.353**	<u>.507**</u>	<u>.467**</u>	<u>.550**</u>	<u>.583**</u>	1		
Children's Medical care	Pearson Correlation	.348**	.369**	<u>.529**</u>	<u>.416**</u>	<u>.430**</u>	<u>.597**</u>	1	
Concentrating on Career	Pearson Correlation	.251**	.204*	.092	.276**	.332**	.369**	.344**	1
	Sig. (2-tailed)								
	N								

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

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

Hypotheses No. 1:-

H₀: For working women, age of their children has no role when it comes to doing regular physical exercise

H₁: For working women, age of their children has greater role when it comes to doing regular physical exercise

One way ANOVA with Post hoc or Scheffe tests were conducted to identify the significance level to test above mentioned hypothesis (no. 1)

Table no. 2 shows the significance or P value which is .030. This value of P is less than the alpha of .05 and we can reject the null hypothesis. The result is significant and we should accept the alternate hypotheses. This test result shows that response towards doing physical exercise is not the same for working mothers of different age group children.

Table No. 2: ANOVA Test result – Age of the child and doing physical exercise

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	12.313 ^a	4	3.078	2.788	.030
Intercept	430.238	1	430.238	389.605	.000
Age child	12.313	4	3.078	2.788	.030
Error	115.951	105	1.104		
Total	605.000	110			
Corrected Total	128.264	109			

a. R Squared = .096 (Adjusted R Squared = .062)

The rejection of null hypotheses is further confirmed by Post hoc or scheffe test result. In post hoc test, multiple comparisons (of independent variable) are done to see the significance level. In table no. 3, each age group is independently compared with all age group. Once again significance level or P value is calculated individually for each age group of children. The P value is less than the alpha level at few places (highlighted).

Table no. 3: Post hoc test result (Age group of children and Physical exercise by working mothers)

(I) Age of child	(J) Age of child	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
0 – 2 yrs.	2 – 5 yrs.	.1010	.28438	.998	-.7907	.9927
	5 – 10 yrs.	.1169	.29939	.997	-.8219	1.0557
	10 – 15 yrs.	-.0795	.34527	1.000	-1.1622	1.0031
	15 and above	-1.2045	.43386	.111	-2.5650	.1559
2 – 5 yrs.	0 – 2 yrs.	-.1010	.28438	.998	-.9927	.7907
	5 – 10 yrs.	.0159	.26479	1.000	-.8144	.8462
	10 – 15 yrs.	-.1806	.31574	.988	-1.1706	.8095
	<i>15 and above</i>	-1.3056*	.41074	<u>.045</u>	-2.5935	-.0176
5 – 10 yrs.	0 – 2 yrs.	-.1169	.29939	.997	-1.0557	.8219
	2 – 5 yrs.	-.0159	.26479	1.000	-.8462	.8144
	10 – 15 yrs.	-.1964	.32933	.986	-1.2291	.8363
	<i>15 and above</i>	-1.3214*	.42128	<u>.050</u>	-2.6424	-.0004
10 – 15 yrs.	0 – 2 yrs.	.0795	.34527	1.000	-1.0031	1.1622
	2 – 5 yrs.	.1806	.31574	.988	-.8095	1.1706
	5 – 10 yrs.	.1964	.32933	.986	-.8363	1.2291
	15 and above	-1.1250	.45503	.199	-2.5519	.3019
15 and above	0 – 2 yrs.	1.2045	.43386	.111	-.1559	2.5650
	<i>2 – 5 yrs.</i>	1.3056*	.41074	<u>.045</u>	.0176	2.5935
	<i>5 – 10 yrs.</i>	1.3214*	.42128	<u>.050</u>	.0004	2.6424
	10 – 15 yrs.	1.1250	.45503	.199	-.3019	2.5519

Based on observed means.

The error term is Mean Square(Error) = 1.104.

*. The mean difference is significant at the .05 level.

Hypotheses No. 2:-

H₀: Age of the children has no role for working women, when it comes to taking a break from job for children's upbringing

H₁: Age of the children plays a crucial role when it comes to taking a break from job for children's upbringing.

Table no. 4 shows the one way ANOVA test for hypotheses no. 2. The significance level of .590 is much higher than alpha level of .05. The result is not significant and we should accept the null hypotheses. Post hoc or Scheffe tests were also conducted to identify the significance level for hypothesis no. 2.

Table No. 4: ANOVA Test Result – Age of the child and taking break from job.

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	3.749 ^a	4	.937	.705	.590
Intercept	547.533	1	547.533	411.623	.000
Age of child	3.749	4	.937	.705	.590
Error	139.669	105	1.330		
Total	816.000	110			
Corrected Total	143.418	109			

a. R Squared = .026 (Adjusted R Squared = -.011)

The acceptance of null hypotheses is further confirmed by Post hoc or scheffe test result. In table no. 5, post hoc test results are explained for each group and significance level or P value is calculated individually for each age group of children. The P value is higher than the alpha level of .05 at every point.

Table no. 5: Post hoc test - Children's age group and taking a break from job

(I) Agechild	(J) Agechild	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
0 – 2 yrs.	2 – 5 yrs.	.2045	.31211	.980	-.7741	1.1832
	5 – 10 yrs.	-.0812	.32859	1.000	-1.1115	.9492
	10 – 15 yrs.	-.2955	.37894	.962	-1.4837	.8928
	15 and above	-.2955	.47617	.983	-1.7886	1.1977
2 – 5 yrs.	0 – 2 yrs.	-.2045	.31211	.980	-1.1832	.7741
	5 – 10 yrs.	-.2857	.29061	.914	-1.1970	.6256
	10 – 15 yrs.	-.5000	.34653	.721	-1.5866	.5866
	15 and above	-.5000	.45080	.872	-1.9136	.9136

5 – 10 yrs.	0 – 2 yrs.	.0812	.32859	1.000	-.9492	1.1115
	2 – 5 yrs.	.2857	.29061	.914	-.6256	1.1970
	10 – 15 yrs.	-.2143	.36145	.986	-1.3477	.9191
	15 and above	-.2143	.46236	.995	-1.6641	1.2356
10 – 15 yrs.	0 – 2 yrs.	.2955	.37894	.962	-.8928	1.4837
	2 – 5 yrs.	.5000	.34653	.721	-.5866	1.5866
	5 – 10 yrs.	.2143	.36145	.986	-.9191	1.3477
	15 and above	.0000	.49941	1.000	-1.5660	1.5660
15 and above	0 – 2 yrs.	.2955	.47617	.983	-1.1977	1.7886
	2 – 5 yrs.	.5000	.45080	.872	-.9136	1.9136
	5 – 10 yrs.	.2143	.46236	.995	-1.2356	1.6641
	10 – 15 yrs.	.0000	.49941	1.000	-1.5660	1.5660

Hypotheses no. 3

H₀: Profession has no role among working women for spending adequate time with children.

H₁: for working women, spending adequate time with children is influenced by type of profession they are into.

Table no. 6 shows the ANOVA test result. The significance or P value of .209 is again much higher than the alpha of .05. With this result, we can accept the null hypothesis and the outcome can be interpreted as the response of working women of different profession has similar response when it comes to spending time with children.

Table no. 6: ANOVA Test result – Profession and spending time with children

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Corrected Model	5.015 ^a	3	1.672	1.536	.209
Intercept	545.681	1	545.681	501.417	.000
Profession	5.015	3	1.672	1.536	.209
Error	115.357	106	1.088		
Total	675.000	110			
Corrected Total	120.373	109			

a. R Squared = .042 (Adjusted R Squared = .015)

Post hoc or Scheffe test result is explained in table no. 7. The result further confirms the acceptance of null hypotheses as the P value is above the alpha value of .05 at every level.

Table no. 7: Post hoc test result (Different Professions and spending time with children)

(I) Profession	(J) Profession	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Teaching	Medical/ Doctor	-.5484	.26950	.253	-1.3140	.2173
	Engineer/ IT	-.2800	.28471	.809	-1.0888	.5288
	Administration/ Management	-.1200	.28471	.981	-.9288	.6888
Medical/ Doctor	Teaching	.5484	.26950	.253	-.2173	1.3140
	Engineer/ IT	.2684	.28042	.821	-.5283	1.0650
	Administration/ Management	.4284	.28042	.509	-.3683	1.2250
Engineer/ IT	Teaching	.2800	.28471	.809	-.5288	1.0888
	Medical/ Doctor	-.2684	.28042	.821	-1.0650	.5283
	Administration/ Management	.1600	.29506	.961	-.6783	.9983
Administration/ Management	Teaching	.1200	.28471	.981	-.6888	.9288
	Medical/ Doctor	-.4284	.28042	.509	-1.2250	.3683
	Engineer/ IT	-.1600	.29506	.961	-.9983	.6783

Based on observed means.
 The error term is Mean Square(Error) = 1.088.

Hypotheses no. 4

H₀: Type of profession has no role among working women when it comes to concentrating on career growth

H₁: Type of profession plays important role among working women when it comes to concentrating on career growth.

One way ANOVA with Post hoc or Scheffe tests were conducted to identify the significance level to test the hypothesis. Table no. 8 shows the ANOVA test result. The significance or P value of .708 is much higher than the alpha of .05. With this result, we can accept the null hypothesis and the outcome can be interpreted as the response of working women of different profession has similar response in terms of concentrating on career growth.

Table no. 8: ANOVA Test result - Profession and Career growth

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Corrected Model	1.820 ^a	3	.607	.465	.708
Intercept	735.575	1	735.575	563.492	.000
Profession	1.820	3	.607	.465	.708
Error	138.371	106	1.305		
Total	889.000	110			
Corrected Total	140.191	109			

a. R Squared = .013 (Adjusted R Squared = -.015)

The Post hoc test result (Table no. 9) also confirms the acceptance of null hypotheses as the all individual P value is above the alpha value of .05.

Table no. 9: Post hoc test result (Among different professions and career growth)

(I) Profession	(J) Profession	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Teaching	Medical/ Doctor	-.1190	.29517	.983	-.9576	.7195
	Engineer/ IT	.1352	.31182	.979	-.7507	1.0210
	Administration/ Management	.2152	.31182	.924	-.6707	1.1010
Medical/ Doctor	Teaching	.1190	.29517	.983	-.7195	.9576
	Engineer/ IT	.2542	.30712	.876	-.6183	1.1267
	Administration/ Management	.3342	.30712	.757	-.5383	1.2067
Engineer/ IT	Teaching	-.1352	.31182	.979	-1.0210	.7507
	Medical/ Doctor	-.2542	.30712	.876	-1.1267	.6183
	Administration/ Management	.0800	.32316	.996	-.8381	.9981
Administration/ Management	Teaching	-.2152	.31182	.924	-1.1010	.6707
	Medical/ Doctor	-.3342	.30712	.757	-1.2067	.5383
	Engineer/ IT	-.0800	.32316	.996	-.9981	.8381

5.0 Conclusion

Reasons for role conflict among working women are many, prominent ones are age and number of children, type of family in which a working mother lives, and of course the nature and extent of participation by other members of the family. The working mothers faces on obvious dilemma. As a mother and wife, she must conform to traditional ideal of a hard working yet a self-effacing woman, in readiness to subjugate her on interests to family's happiness. On the other hand, in her occupational role, she must be result oriented, independent, persistent and innovative. The domestic role requires a cooperative attitude as opposed to the competitive spirit demanded by the work world. Thus two polarized personalities need to be combined. Moreover, dilemmas may arise due to conflicts in obligations, attachments and desires etc. related to one's networks of relatives, friends on the one hand and work associated on the other. A dilemma may arise from conflict within oneself about whether one is being a good person in leading a certain type of life. A working woman may blame herself for neglect of her role as mother and wife's role especially if the children develop problems of health, disinterest in studies, unsociable behaviour or the husband becomes irritable or tired.

According to the result of the study, in most of the cases type of profession or number of children does not influence their conflict outcome statement. The mean response in hypothesis no. 2, 3 and 4 are between 2.0 and 2.5 which clearly shows that the respondents are in agreement towards lower side with different conflict statements mentioned in the questionnaire. In the case of hypotheses no. 1, age of the child does influence physical exercise activity among working mothers.

When a housewife enters into gainful employment outside home, she not only finds a change in her role and status within the family and outside it, but she also finds herself under increasing pressure to reconcile the dual burden of the two roles at her home and her workplace because each is a full time job. Coping up with the situation requires not only additional physical strength, personal ability and intelligence on the part of a working woman but also requires the members of her 'role set' to simultaneously make necessary modifications in their expectations.

Reference:

- Ahmad, A., Baba, M. and Hassan, S. A. (1999), "Work family conflict and its antecedents among single mother employees", *International Journal of Interdisciplinary Social Sciences*. Vol. 4, pp. 81-92.
- Brett, J.M. and Stroh, L.K. (2003), "Working 61 plus hours a week: why do managers do it?", *Journal of Applied Psychology*, 88(1), pp. 67 – 78.
- Campbell, D.J., Campbell, K.M. and Kennard, D. (1994), "The effects of family responsibilities on the work commitment and job performance of non professional women", *J*

- Occupa Organ Psych; (67), pp. 283–96.
- Carter, E. A. (1978), “The transgenerational scripts and nuclear family stress: Theory and clinical implications”, In R. R. Sager (Ed.) Georgetown Symposium, Vol. 3, Georgetown University, Washington DC.
 - Corbin, S.K.T. (1998), “Role Perceptions and Job Satisfaction of Community College Faculty (Unpublished Ph.D. Thesis)”, Washington, DC: The Catholic University of America, 1998.
 - Drafke, M.W. (1998), “The Human Side of Organization”, 7th Ed. New York: Addison-Wesley, 1998.
 - Doress-Wortes, P.B. (1994), “Adding elder care to women's multiples roles: A critical review of the caregiver stress and multiple roles literature”, *Sex Roles*. 1994;31, pp. 597–613.
 - Evandrou, M., Glaser, K. and Henz, U. (2002), “Multiple Role Occupancy in Midlife: Balancing Work and Family Life in Britain”, *The Gerontologist*. Volume 42, issue 6, pp. 78-189
 - Greenhaus, H., and Beutell, N.J. (1985), “Sources of conflict between work, and family roles”, *Academy of Management Review*, 10, pp. 76-88.
 - Hays, S. (1996), “The cultural contradictions of motherhood New York”, Yale University Press; 1996
 - Joshi., Rama, J., Bhasin, K., Joshi, L.S. and Rama, J. (1973), “Contemporary change in the socio-economic role of women in India”, In Kaurla Bhasin and Leslie Sawhney (eds), *The position of women in India*. (pp. 99–124) Bombay: Programme of Training for Democracy
 - Kahn, R.L., Wolfe, D.M., Quinn, R., Snoek, J.D. and Rosenthal, R.A. (1964), “Organizational Stress”, New York: Wiley
 - Kapur, P. (1970), “Marriage and the Working Women in India”, Vikas Publishing House Pvt Ltd, New Delhi
 - Kapur, P. (1973), “Love Marriage and Sex”, Vikas Publishing House Pvt Ltd, New Delhi
 - Kaul, B. (1973), “Study of Adjustment of Women in Employment”, M.Phil Dissertation, Allahabad: University of Allahabad
 - Kapoor, P. (1979), “The Changing Status of Working Women”, Vikas Publishing House Pvt, Ltd., New Delhi 1979, p.19
 - Kopp, R.G. and Ruzicka, F.M. (1993), “Women's multiple roles and psychological well-being”, *Psychol Rep*. 1993;72, pp. 1351–54
 - Kurland, N.B. and Bailey, D.E. (1999), “Telework: The advantages and challenges of working here, there, anywhere, and anytime”, *Organizational Dynamics*, 28(2), pp. 53-68.

- Maskowska, Z. (1995), “Psychosocial characteristics of work and family as a determinant of stress and well-being of women: A preliminary study”, *International Journal Occup Med Environ Health*. 1995;8, pp. 215–22.
- Misra, P. (1998), “Predictors of Work-Family Conflict among Indian Women”, *Indian Journal of Psychology*. Vol. 25. No. 1. 1998, pp. 13-19.
- Mahajan, A. (1966), “Women's Two Roles: A Study of Role Conflict”, *The Indian Journal of Social Work*, 24(4)
- Yasmin, M. and Ahamed, F. (2011), “Work – Family role conflict of women teachers in engineering colleges in tiruchirappalli district”, *International Journal of Research in Computer Applications and Management*, Volume No. 1 (2011), Issue No. 9.
- Reddy, N.K., Vranda, M.N., Ahmed, A., Nirmala, B.P. and Siddaramu, B. (2010), “Work–Life Balance among Married Women Employees”, *Indian Journal of Psychological Medicine* 2010 Jul-Dec; 32(2), pp. 112–118.
- Oliver, R.L. and Brief, A.P. (1977), “Determinants and consequences of role conflict and ambiguity among retail sales managers”, *Journal of Retailing*, 53(4), pp. 47-58.
- Posig, M. And Kickul, J. (2004), “Work-role expectation and work-family conflict: Gender differences in emotional exhaustion”, *Women in management Review*.
- Rajadhyaksha, U. and Swati, S. (2004), “Tracing a Timeline for Work and Family Research in India” in *EPW*, April 24, 2004, pp. 1674-1680
- Robbins, S.P. and Judge, T.A. (2008), “Essentials of organizational behaviour”, 9th Ed. New Delhi: Pearson- Prentice Hall, 2008.
- Schafer, W. (1998), “Stress Management for Wellness”, 4th Ed. Australia: Thomson-Wordsworth, 1998.
- Schultz, D. and Schultz, S.E. (2004), “Psychology and Work Today” 8th Ed. New Delhi: Pearson Education, 2004.
- Singh, S. and Sinha, A.K. (1984), “Empirical dimensions of strategies of coping with job related stress”, *Indian Journal of Applied Psychology*, 24(1), pp. 25-29.
- Srivastava, V. (1978), “Employment of educated women in India; its causes and consequences”, New Delhi: National Publishing House; 1978.
- Srivastava, V. (1972), “Employment of Educated Married Women, its Causes and Consequences with Reference to Chandigarh”, Ph.D. Thesis, Punjab University, Chandigarh.

COMPARISON AND ANALYSIS OF LEAVE SYSTEM OF ROYAL UNIVERSITY BHUTAN AND ALIGARH MUSLIM UNIVERSITY WITH RESPECT TO IMPROVE THE LEAVE RULES OF ROYAL UNIVERSITY OF BHUTAN

Shad Ahmad Khan¹

Abstract

Leaves play an important role in the functioning of any organisation as it gives leverage to the employees to attend their various work and obligations. Every organization develops its leave structure on the basis of the requirement of the organization and the pattern followed in other organization present in and out of the country. Bhutan being a comparatively newer state has also implemented various rules and policies based on the various practices around the globe with a dominance of Indian systems and practices in the present regulations covering various aspects. Though the documentary evidences say that there is great similarity between the regulatory practices of the two countries but time and again it has also found that the practices in Bhutan are not fully borrowed and also have some customized implications.

This study is an attempt to analyze the dominance of Indian leave system over the Bhutanese leave system by analyzing the leave system of Universities belonging to the two countries. In order to make this study more specific, the comparison has been made between the leave system of Aligarh Muslim University, India and Royal University of Bhutan. The main objective of this study is to conceptually chalk out the measures to make the leave system better in Royal University Bhutan.

Key Words: Leaves, system, employees, organization, University, India, Bhutan, Royal University of Bhutan, Aligarh Muslim University.

1. Introduction to the Study

This study is a comparative analysis of the types of leaves and no. of days granted in the Government University system of India and Bhutan. For analyzing the system of leaves in these two countries this study is comparing the leave system of Aligarh Muslim University (A University established by the Parliament and holds the status of Central University, regulated and funded by University grant Commission of India) and Royal University of Bhutan (A University established by the Royal Charter of the Royal Government of Bhutan and is the only university of the country). The leave

1. Shad Ahmad Khan is Lecturer, Gaeddu College of Business Studies, Royal University of Bhutan.

system followed in these two government institutions have been framed considering the needs and demands of the organization as well as the employees working under these system.

The study tries to compare the leave systems of the two Universities based on two parameters:

1. The types or categories of leaves available in each of these system, 2. Number of permissible days for the leaves under each category. The family and Medical Act, 1993 of the USA mandates leave to take care of ill family members, be home with a new child, or tend to an employees' own serious conditions. Also the leaves are granted to encourage employees to participate in Human resource development (HRD) activities for professional growth -Paul Sandwith (1993). These two statements happen to be the purpose of granting leave or utility of leave. Based on these utility and purpose serving ability of leaves, the Recommendations are made to Royal University of Bhutan.

2. Research Methodology:

2.1. Scope of study: Comparison and analysis of leave system of Royal University Bhutan (RUB) and Aligarh Muslim University (AMU) with respect to improve the leave rules of RUB

2.2. Objective of Study:

- a. To identify the major types of leaves available in AMU and RUB.
- b. To analyze the identified leaves in terms of no. of permitted days.
- c. To analyse the leaves in terms of their utility getting fulfilled.
- d. To make necessary recommendations to RUB for the necessary additions of new leaves and enhancing the current leaves in line of AMU.

2.3. Research Design:

- a. Type of research design: Descriptive
- b. Type of Data used: Secondary Data
- c. Sources of Data used: HR and Regulation book of Aligarh Muslim University and Royal University of Bhutan, E-sources, and relevant journals
- d. Limitations of the study:
 - i. The study is confined to the rules books of these two Universities thus the actual practices followed in the university has not been considered.
 - ii. In order to maintain the specificity of this research, the comparison has been drawn only the basis of permitted days, the other aspects like flexibility in granting of leaves, leave granting authority and other aspects are not considered for the study.
 - iii. The utility of the leaves discussed in this paper is purely conceptual and require testing.
 - iv. The recommendations have been made on the comparison between RUB and AMU and

no other leave system has been considered.

- v. A very limited study had been done in this field and this acted to be the biggest limitation for this research.

3. Data Analysis

The leave rules laid down under the Aligarh Muslim University, Aligarh, Chapter – XI, Of The Executive, Regulations, Part 'A' and Chapter 10 of Royal University of Bhutan, HR rules and regulations 2013 can be summarize in the form of table given below. The first column shows the Serial No.; the second column shows about the category of leave; the third column shows the no. of days the leave is permissible in AMU along with special remarks if any; and column 4 shows the no. of days the leave is

TABLE 1: Chart showing various types of leaves in one or both University System with the No. of days permissible in each system			
S. No	Category of Leave	Aligarh Muslim University(AMU) , India	Royal University of Bhutan (RUB), Bhutan
		Leave Days permissible	Leave Days permissible
1	Casual Leave	10 days per year	10 days per year
2	Special Casual Leave/Duty Leave to Teachers elected to Parliament/State Legislature	10 days per year	No provision (The staff member elected as the member of parliament has to resign from his regular service in the University)
3	Earned Leave	1/30 of the entire period to a maximum of 120 days	2.5 days per each completed months to a maximum of 90 days.
4	Half Pay Leave	20 days per year of completed service	No Provision
5	Commutated Leave	Not exceeding half the amount of half pay leaves	No Provision
6	Leave Not Due	90 day at once to the maximum of 240 days in during the entire service period.	No Provision
7	Maternity Leave	135 days	3 months (90 days)
8	Paternity Leave	15 days	5 days
9	Quarantine Leave	21 days (extendable to 30 days)	No Provision

10	Hospital Leave	3 months in any period of 3 years (given to only those who are working in any life hazardous department of the University)	No Provision	
11	Study Leave	3 years at a time (extendible by 1 year on half pay)	36 months during the entire service period	
12	Detention Leave	Maximum 120 days but not more than 90 days at a time	No provision	
13	Extra-Ordinary Leave	To a period of three years after completion of 5 successful years of service	To a maximum of 24 months	
14	Leave for Academic Pursuits	Not exceeding 12 months at one time and Not more than 2 years in the entire period of his service in the University	No Provision (but at times the official leaves are granted for such academic pursuits depending on the case and authority of the college concerned)	
15	Leave on Compassionate Grounds	Not exceeding 9 months	No Provision	
16	Bereavement Leave	No provision	21 days	
17	Medical Leave	No Provision	Up to one (1) month	A Medical Officer

Based on the analysis of the above table and the Leave rule book of the two Universities the following analysis and Interpretations can be drawn.

Note: The Rules as per the sections of Aligarh Muslim University, Aligarh, Chapter – XI, of the Executive, Regulations, Part 'A' are referred as super script 1.e.g. (Sec.1)¹; The rules belonging to sections of Chapter10, Royal University of Bhutan, HR rules and regulations 2013 are referred as super script 2 e.g. (Sec. 1)² and so on . These super scripts no. are the serial no. of the source mentioned under “Reference” section of this paper.

3.1. Casual Leave:

Definition: The section 3 of chapter 10 of the Royal University of Bhutan Human Resource book defines this leave as “Granted to an employee for a short period on account of illness or urgent personal affairs and an employee on Casual Leave shall be considered on duty for all purposes”.

Analysis: As evident by the chart given above there is no differences in terms of no. of days permissible for availing this leave.

3.2. Special Casual Leave / Duty Leave to Teachers elected to Parliament/State Legislature:

Definition: Section 51 defines Special Casual Leave as the leave granted for the purpose of the following:

- (i) to serve as juror or assessor or to give evidence before a court of law as a witness in a civil or criminal case in which his private interest are not at issue.
- (ii) to attend seminars, literary or scientific conferences.
- (iii) to work on committee appointed by the Universities, Government or University grants Commission.
- (iv) to conduct U.P.S.C. or University examinations or to do such other work as may be approved by the Vice-Chancellor as academic work.
- (v) to inspect academic institutions attached to a Statutory Board.
- (vi) to undergo sterilization operation (vasectomy or salpingectomy) under Family Planning Programme.

The section 5A¹ of the same talks about Duty Leave to Teachers elected to Parliament/State Legislature:

Leave during the sessions of Parliament/State Legislature may be considered as leave on duty provided that the teachers concerned are available to discharge their responsibilities of teaching and research in the University for the minimum period which may be decided by the leave granting authority in each individual case according to the exigencies of the particular situation.

Ref.: EC Res. No. 25 dated 5.7.1997.

Analysis: In RUB there is no provision of special casual leaves or duty leave to teachers elected to parliament. If any regular staff member gets elected as a member of National council (Upper house) or National Assembly (Lower house), as per provision he will have to resign from his regular duties in order to attend his duties as such member of parliament.

3.3. Earned Leave:

Definition: Earned leaves are the leaves an employee earns during his service in a system. In royal

University of Bhutan it is calculated on the basis of 2.5 leaves of each completed months of service to the maximum of 90 days (Sec. 4)². Whereas, in Aligarh Muslim University the provision state that it will be calculated as 1/30 of the successful service period to a maximum of 120 days (Sec.6)¹.

Analysis: If we bring both this calculations on a common scale of 1 year we will find that in RUB the earned leave will be 2.5 leaves X 12 months = 30 days. Whereas in AMU the same will be 365 days X 1/30 = 12 days only.

3.4. Half Pay Leave:

Definition: Half pay leaves are the leaves which is granted on the condition of paying the half pay for each day during such leave period instead of full pay (like in case with other leaves except EOL).

Analysis: In AMU, the provisions under section 7¹ states that a permanent employee will be entitled for a half pay leave of 20 days per calendar year on the medical of personal grounds. No such provisions have been laid in the HR policies of Royal University of Bhutan.

3.5. Commuted Leave:

Definition: These are the leaves which can be converted from the half pay leaves or leaves transferred from half pay leaves. In other words for earning one day commuted leave an employee will have to surrender 2 half-pay leaves¹.

Analysis: Since, Royal University of Bhutan does not offer the half-pay leaves therefore the commuted leaves are also not possible for the University employees. In Aligarh Muslim University this leave is granted on a medical certificate or for an for an approved course of study where for an approved course a maximum of 90 days are granted as leaves during the entire period of service.

3.6. Leave Not Due:

Definition: Granted to a permanent employee when no other leave is due and there are reasonable prospects of his coming back to duty 4. This leave is sanctioned at the discretion of the sanctioning authority to a permanent employee only on medical certificate¹ for a period not exceeding 240 days during his entire service period and 90 days at a time, such leaves are debited against the half pay leaves the employee may earn subsequently (Sec.91).

Analysis: Since, such leaves are adjusted with the half pay leaves; hence, such leaves are not available for the employees at Royal University of Bhutan.

Aligarh Muslim University hence, have a leverage of granting leaves not due to those employees who don't have any leave due in their account and enabling them to draw full salary. In a way the Royal University of Bhutan are deprived of such leaves.

3.7. Maternity Leave:

Definition: Maternity leaves are granted to the female employees who become the mother of a newly born child. It also covers the issues like abortion, miscarriage if supported by proper medical documents.

Analysis: As clearly given in the table given above, the maternity leave in AMU is granted for 135 days (equivalent to four and half months) and in RUB it is granted for 3 months equivalent to 90 days. In a way the employees at RUB are deprived from a leave of 45 days.

3.8. Paternity Leave:

Definition: This leave is granted the male employee who has become the father of a newly born child to take care of him along with his mother.

Analysis: In Royal University of Bhutan such leaves are granted only for a period of 5 days whereas, at Aligarh Muslim University the duration of such leaves are 15 days (Sec 10 A1).

3.9. Quarantine Leave:

Definition: Quarantine leave is leave of absence from duty necessitated by orders not to attend office in consequence of the presence of infectious diseases in the family or household of an employee¹.

Analysis: At Aligarh Muslim University, under normal conditions this leave is granted for a period not exceeding 21 days but in special case it can be extended till 30 days by the Vice-Chancellor of the University. There are no such leaves available to the employees of Royal University of Bhutan.

3.10 Hospital Leave:

Definition: The section 121 defines hospital leave as the leave granted to employees whose duties involve handling of dangerous machinery, explosive materials, poisonous drugs etc. or the performance of hazardous tasks, while under medical treatment for illness or injury if such illness or injury is directly due to risks incurred in the course of their Official duties.

Analysis: In Aligarh Muslim University it is limited for 3 months in any period of 3 years (Sec 101). However, in RUB there is no provisions for such leaves.

3.11 Study Leave:

Definition: The study leave is very important leave for the self development of the full time employees of the University. It can be granted to an employee to attend or take admission in any course, programme or for practical experience in other hospital or institutions (Sec.151).

Analysis: In case of both the University systems the period of leave granted is same i.e. 36 months

or 3 years. But in Aligarh Muslim University, an employee can again go for study leave after a gap of not less than 5 years whereas in RUB the rule is applicable as 36 months during the entire service period.

3.12. Detention Leave:

Definition: This leave is for the teaching staff required to remain at their duty during the whole or any part of vacation for any regular or non-regular work. This leave is granted for the actual no. of days a teaching staff attended his duties during vacations.

Analysis: This system is followed in AMU (Sec. 131) but for RUB there are no such norms. However, in RUB, the head of the colleges and Vice Chancellor has the power to grant an additional pay to the employee for the no. of days he attended duty during vacations.

3.13. Extra Ordinary Leave (EOL):

Definition: In both the University systems the Extra Ordinary Leaves are granted in case no other leaves by rule are applicable. And this leave is always without pay. In a lay men term it's a leave without pay (Sec.141 and Sec. 4.142).

Analysis: In RUB the EOL is granted to an Employee not more than 24 moths is his entire service period (Sec. 4.14.1)² and in case of AMU such period is of 3 years.

3.14. Leave for Academic Pursuits:

Definition: This leave is granted for the academic pursuits for the maximum duration of 12 months at a time and a total of 24 months in the course of entire service (Sec 16.v)¹.

Analysis: This leave is granted by Aligarh Muslim University (Sec.16) but there is no such provision in Royal University of Bhutan.

3.15. Leave on compassionate grounds:

Definition: The Section 171 says that the permanent employees of the University who are suffering from diseases, such as cancer, T.B., Leprosy etc. may be granted by the Executive Council leave on full pay for a period not exceeding nine months.

Analysis: This provision of leave is available in case of Aligarh Muslim University but there are no such provisions at Royal University of Bhutan.

3.16. Bereavement Leave:

Definition: Section 4.9.12 states “In the event of death of an immediate family member (Parents, Siblings, Spouse and Kids) paid Bereavement Leave of up to 21 days shall be provided to an employee on each occasion”.

Analysis: Such types of leaves are available in RUB but in case of Aligarh Muslim University there are no such provisions laid.

3.17. Medical Leave:

Definition: The leaves granted on the medical grounds are called sick leaves. Many a times such leaves are also referred as sick leaves.

Analysis: In Royal University of Bhutan the medical leave is available for variety of terms based on the certificate issuing authority. Upto one moth leave is available on the certificate from a medical officer, upto six months on a certificate from medical board of doctors appointed by the Health Ministry and a certificate from Ministry of Health on the advice of Medical board of doctors for the period exceeding six months.

4. Discussion

As mentioned at the beginning of this paper, this paper would like to analyze the leaves on the parameter of its utility i.e. whether the purpose for which the leaves have been designed are getting fulfilled or not and secondly what additional leaves can be introduced in Royal University of Bhutan to make the leave structure better and efficient in satisfying the employees based on the leave system followed in AMU.

Starting from the Casual Leave, since there is no difference found in terms of the permitted days and thus the structure appears quite uniform in case of both the universities. Considering the case of special casual leave and the reasons for which such leaves are granted in AMU, this paper would like to make suggestion to introduce the special casual leave in RUB also as such types of cases. As far as Duty Leave to Teachers elected to Parliament/State Legislature, the provision laid under HR rules of Bhutan is clear and reasonable also that such people getting elected in parliament will have to resign from their regular service in order to execute their responsibility in the capacity of Member of Parliament. On the account of Earned leave the study finds RUB far ahead of AMU, even on the account of providing vacations to the employees the study finds the RUB better.

Analyzing the concept of half pay leaves, the study finds half pay leaves very attractive and feasible option to be given to the employees. By adopting this type of leave the RUB can open up its doors for the two additional formats of leaves associated with this leave i.e. commuted leave and leave not due, providing additional benefits to the employees who exhaust their causal leave account. However, the RUB can restructure this leave in terms of days as per it own requirement and feasibilities.

Talking about Maternal Leave and Paternal Leaves the study considering the uneven topography and limited health facilities in Bhutan the study find the paternal leave not sufficient for the employees as the

purpose of taking care of the mother and newly born child cannot get fulfilled in such a small duration of time. This is majorly because the time exhausted in travelling in Bhutan is more as compared to India the reason being the hilly terrain of the country and the non-availability of rail and limited air transport. Hence, the study recommends RUB to increase the number of days to a figure which can serve the purpose of Paternal leave effectively and efficiently.

The country Bhutan being exposed to various commutable diseases like bird-flu, measles, swine-flu and other viral diseases the concept of Quarantine leave didn't find its place HR rule book of RUB. Having a provision for such leaves in the odd event will be in the interest of the employees and work culture of the organization. In addition to this in RUB there are many staff members who are exposed to the hazardous conditions but the study will not propose the implementation of Hospital leave as a very flexible and extensive Medical leave finds its place in the HR rule book of RUB. The same applies to the implementation of Leave on Compassionate grounds as well.

But to a surprise, being an academic institute the RUB has no provision for the leaves for academic pursuits. This paper recommends this leave in order to develop the academic culture in the University.

5. Conclusions

The RUB being relatively a very new system as compared to a century old institution like AMU has an extensive range of leaves and provisions related to it. These provisions fit well with the current conditions and phase of the University but in times to come, with the development of the University and increasing number of staff members the requirement for the new leaves will emerge. In such situations taking lessons from the old universities will be major recommendation. This study finds the current leaves days falling under various categories are sufficient as far as the no. of leaves days permitted during the year. But considering the utility of such leaves the study finds many short comings in the current leave policy. The paternal Leaves are found to be very less on the account of its purpose getting fulfilled. The non-availability of the Leave for academic pursuit is an appalling factor. The medical leave is found to be very extensive in RUB, for name sake its only one category of leave but it caters to the requirement of many leaves provided in the Leave system of RUB. Although, such medical or sick leaves are not in the provisions of the AMU but the medical related issues are getting adjusted by various other leaves as per the provisions laid in AMU, Aligarh. Chapter XI of the executive regulations, Part 'A'. The utility of Bereavement Leave is found high and is a good feature of RUB HR rules. To conclude, the current leave structure of RUB is good and is well suited with the current system of the University but it can be improved by adding the leaves like half pay leave, Quarantine and Leave for academic pursuits into its provisions along with increasing the no. of permitted days of Paternal Leave. Making this amendment in the chapter 10 of the Royal University of Bhutan, HR rule and regulations will make RUB rules more

employee friendly and will increase employees loyalty.

6. References

Primary references:

1. Aligarh Muslim University.(1997). The executive Regulations, Chapter XI,Part 'A'. Aligarh
2. Royal University of Bhutan.(2013).HR rules and regulations, Chapter 10. Bhutan.
3. Retrieved from <http://yearbook4goiemployees.weebly.com/leave-.html>
4. Retrieved from <http://indianrailwayemployee.com/node/1099>

Secondary references:

- a. Crampton, S. M., and Mishra. J. M. (1995).Public personnel management, Family and Medical Leave Legislation: Organizational Policies and Strategies, 24(3), 1995, 271-89.
- b. Monthly Labor Review. (2001). Family and Medical Leave: Evidence from the 2000 surveys 124(9),17-23.
- c. Cayer, N.J. from health care to pension, Managing employee benefits. Chapter 32, P. 222 & 225 (ed.3), Handbook of Human Resource Management in government.
- d. Schuster, Mark A.; Chung, Paul J., et al. (2009). American Journal of Public Health, Perceived Effects of Leave From Work and the Role of Paid Leave Among Parents of Children With Special Health Care Needs , 99.4 (Apr 2009): 698-705.

WAGE DIFFERENTIAL FROM GENDER PERSPECTIVE

Yogita Beri¹

Abstract

Man and woman are both equal and both plays a vital role in the creation and development of the society. The struggle for legal equality has been one of the major concerns of the women's movement all over the world. In India, since long back, women were considered as an oppressed section of the society and they were neglected for centuries. The focus of the paper is on issues concerning gender disparities in incomes and wages in the context of Indian labour markets. While wage differentials are found across regions, occupations, sectors, industries, caste and so on, the inequalities across men and women workers differ since there is an element of discrimination involved in such variations. Consideration of wage inequalities in the context of Indian labour markets, wherein one half of the workforce is involved in self-employed activities and a majority are involved in informal, unorganised sector work, necessarily needs to go beyond simple monetised payments and wage calculations. Wage inequality often creates much broader socio-economic inequality and may even emphasize them. For attaining equitable development convergence in wages and earnings is therefore desirable. The paper aims to provide a comprehensive picture of the variations in wage payments across different segments of the labour market and suggests policies to safeguard the interest of the most vulnerable in the labour market. It discusses the structure of the Indian workforce, the long term and short term trends in the real daily wage rates, along with a comparative picture of the average daily wages. The findings of the paper show that the wage differential across different segments has been on the rise. Gender differentials continue to exist, but have been declining over the years.

Key Words: Gender wage gap, Wage differentials, Average daily wages, Gender inequality etc.

THE PERSPECTIVE

The Indian economy witnessed a higher growth in the gross domestic product (GDP) associated with rising concentration of income and wealth. The growth of employment in the post-

1. Dr.Yogita Beri is Assistant Professor, Department of Economics, Vasanta College for Women, Rajghat Fort (B.H.U), Varanasi-221001

reform period was mainly concentrated in the self-employment category, while the growth of wage employment remained more or less stagnant. The rise in self-employment is argued as a distress movement from wage employment, which also enhances income inequality among the workers. On one hand, it is expected that with increased investment, trade and output, more and better employment opportunities would emerge and labour mobility would increase, leading to narrowing down of horizontal wage differences among workers with similar skills and in the same type of jobs. On the other hand, as the demand for skilled labour would increase, wage differential between skilled and unskilled labour is expected to rise. The overall impact would depend on how broad based the labour market in the economy is, whether movement across skill-barriers is relatively easy, and whether institutions for re-training and rearrangement are in place. Most of the studies indicate that labour market generates differences in wage rate and earnings that are based on geographical locations, level of education, industry, social group and gender. There is an ongoing debate among the researchers, whether the recent growth had benefited only a few and led to increasing disparities and inequalities. This study explores the levels of wages and income, disparities and inequality in gender. It explores whether the changing employment patterns can expand gender wage inequality in India.

Wages and incomes in India have been rising over time; however, the gender inequalities have not been bridged. Changes in women's workforce participation have influenced the remuneration and returns due to them; however the wage imbalances across men and women remain. An examination of the trends in the economy reflects the stubborn persistence of the structure of inequalities in the sphere of occupational concentration, where women continue to be concentrated at lower end jobs, thereby receiving lower wages. The discrimination and biases against women witnessed in social spheres gets mirrored on to economic spaces not only through direct, legitimate routes but also via the resilience in perceptions and mindsets among the agents of the labour markets that reconfigure to retain elements of gender imbalances. This paper highlights the weak potential of economic growth and increasing women's economic participation towards eliminating these inequalities, unless supported by concerted efforts at altering attitudes towards women's roles and contribution that are harboured by different agents within the labour markets.

Wage inequality often creates much broader socio-economic inequality and may even emphasize them. For attaining equitable development convergence in wages and earnings is therefore desirable. This paper explores trends and patterns in wage differentials in India. It compares trends in within group and between group disparities – across occupational group, gender, job type, and region. It is observed that while inter-group disparity or vertical differentials are coming down in terms of wage

rates, they are increasing in terms of total earnings because of more than proportionate rise in disparity in labour demand and job availability. Intra-group wage differentials have increased among most of the occupations as also among several sub-groups, leading to polarization within groups. Decomposition analysis shows that wage differential across some groups are mainly due to the skill factor while for some other groups it is pure discrimination or unfavourable labour market conditions which is creating the wage differential. Only an inclusive growth strategy will lead to lowering of wage differentials and removal of disparities in living standards across space and people.

In order to examine gender dimensions within remunerations and income earnings in India, the context of gendered participation of female labour supplies in its entirety needs to be accounted for. The dimensions affecting pre-entry conditions that influence capabilities, human capital traits and labour supply characteristics; aspects of in-market discriminations and gender biases against women in terms of hiring, promotion, segregation, gender relations and remuneration; and factors influencing women's work time distribution among paid and unpaid activities, own and hired labour, extended SNA (System of National Accounts) activities of household maintenance, care-giving, socially derived, traditional roles and sexual division of labour that influences the different agents of the labour markets have to be explored to understand the nature of gender-based wage inequalities in India. This paper highlights the multi-dimensional context of gender inequalities prevalent in Indian labour markets stemming from the socially derived structures, division of labour, sex segregation and labour market segmentation that provide the basis for propagation and perpetuation of wage and income inequalities, while examining the economic aspects to assess the credibility of repeated justifications offered in lieu of these imbalances in wage earnings across men and women.

OBJECTIVES

- To study the levels of wages and income, disparities and inequality in gender.
- To provide a comprehensive picture of the variations in wage payments across different segments of the labour market.
- To suggest policies to safeguard the interest of the most vulnerable in the labour market.

METHODOLOGY

The research paper is descriptive in nature. The paper is entirely based on the secondary data. The attempt is to be made to present a comprehensive picture of India's Gender wage differential. Basic data have been collected from various reports of NSS Employment-Unemployment Survey.

GENDER WAGE DIFFERENTIAL

The differences in wage between workers with different skills working in the same industry, or

worker with similar skills working in different industries or localities are termed as wage differentials. Interpersonal wage differentials are mainly due to variations in personal characteristics like sex age skill knowledge etc of employees who work in the same unit and are in the same or similar occupations. Gender differentials in wage payments, especially among workers with same levels of educational attainments and for undertaking similar jobs are a clear indication of discrimination against women due to non-economic considerations.

Indeed, men's and women's jobs differ greatly, whether across sectors, industries, occupations, types of jobs, or types of firms. While these differences evolve with economic development, the resulting changes in the structure of employment are not enough to eliminate employment segregation by gender. So, women all over the world appear to be concentrated in low-productivity jobs. They work in small farms and run small firms. They are overrepresented among unpaid family workers and in the informal sector and they rarely rise to positions of power in the labour market. Three main factors lead to gender separation in access to economic opportunities among farmers, entrepreneurs, and wage workers: gender differences in time use (primarily resulting from differences in care responsibilities), gender differences in access to productive inputs (particularly land and credit), and gender differences stemming from market and institutional failures. Because the factors causing segregation are common across sectors of economic activity, we can integrate the analysis of the farming, entrepreneurial, and wage sectors within a common framework.

Factors determining women's labour supply are not adequately explained by the individual oriented work, effort, leisure or even wage remuneration based considerations. In fact, in most cases labour supply decisions especially for women need to be seen from the household point of view, since women have the additional responsibility as domestic care givers. Women's labour supply behaviour is distinct from that observed for male labour in terms of age of entry, inherent human capital attributes, marital status and social class position affecting their mobility in public spaces, fertility or reproduction and so on. Despite the increasing work participation among women over time, far fewer women than men enter the labour market as workers and the age of entry among women is later than that noted for men. The reasons for such behaviour relate to the socially defined roles within the household and the gender division of labour. A substantial number of women enter the labour markets in their thirties, generally after completion of their reproductive roles of child bearing and rearing.

There are some other factors which are responsible for the wage differentials such as all persons are not equally efficient. They differ in abilities. Some are more efficient and some are less efficient. Besides this the society is divided into a number of working groups, which are noncompeting. Caste system creates such groups in India. Thus, in heritage, environment, training and sex are some factors, which create

noncompeting groups in the society. Hence, workers belonging to different groups are paid at different wage rates. Mobility of labour are also responsible for wage differentials. Sometimes, people are not prepared to accept higher wages if it necessitates a change of place. This accounts for difference in wage in different places. The nature of work also influences wage rates. Dangerous and disagreeable work brings higher money wages to attract larger supply of labour. Contrarily, safe, pleasant, comfortable and socially prestigious jobs carry lower money wages. Jobs requiring special qualification and apprenticeship generally command higher wages than jobs learnt easily and for which no special training is required. If there is regular employment in a job, one may demand lower wages. If the job is irregular or seasonal, wage has to be higher. In case of India, young men prefer low paid jobs under government due to security and regularity of employment to irregular and insecure private jobs with more remuneration.

DIMENSIONS OF WAGE DIFFERENTIALS

There were several dimensions of wage differentials. These differentials can be grouped to facilitate comprehension under the following heads:

- Occupational wage differentials
- Industrial wage differentials,
- Geographical wage differentials,
- Gender wage differentials,
- Caste wage differentials,
- Union/non-union wage differentials,
- Age wage differentials.

These are some the types of wage differentials and one could expand the list by adding many more.

GENDER WAGE DIFFERENTIAL IN INDIA

In order to understand gender inequalities in wages and incomes, the context of women's labour market participation as compared to that of male workers and all the varied dimensions associated with it have to be considered. The difficulties associated with recognising women's contribution to economic activities on the one hand, and their participation in labour market activities on the other hand define the widespread spectrum and nature of women's work.

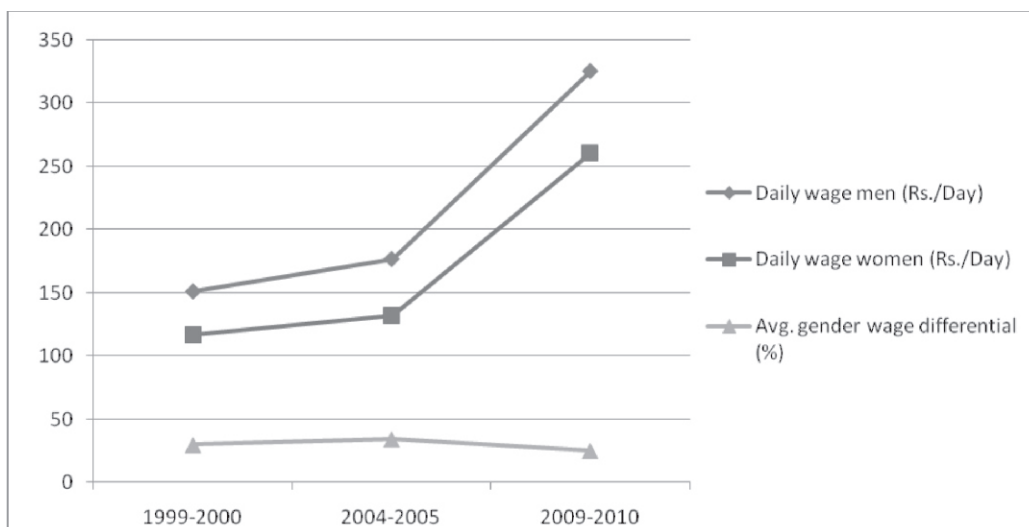
TABLE: 1

Nominal average daily wage by gender and average wage differential, across NSS rounds

Statistic/Year	1999-2000	2004-2005	2009-2010
Daily wage men (Rs./Day)	151.42	176.90	325.00
Daily wage women (Rs./Day)	116.93	131.89	260.31
Avg. gender wage differential	29.50	34.13	24.85
N (Sample Size)	38,649	41,277	35,363
Population Size	46,636,357	54,068,431	58,976,514

Source: Compiled from various NSS reports

Table-1 shows that average gender wage differential worsened from 29.50 percent in 1999-2000 to about 34 percent in 2004-2005, followed by a sharp fall to 25 percent in 2009-2010. The dramatic fall in average gender wage differentials from 2004-2005 and 2009-2010 has happened mostly due to the gains by women vis-à-vis men in the middle of the distribution. The table also shows that daily wages of men and women both are increasing over a period of time. The daily wages of men were Rs.151.42 in the year 1999-2000 which increased to Rs. 325 per day in the year 2009-10. Whereas, the daily wages of women were Rs.116.93 in the year 1999-2000 which increased to Rs.260.31 in the year 2009-10. This clearly indicates that over a decade the daily wages of men-women were increased but still the gender wage gap is much larger. The difference is around Rs.65 per day between men-women. The figure also depicts the gender wage difference over a decade.

FIGURE: 1 Average wage differential

Source: Compiled from various NSS reports

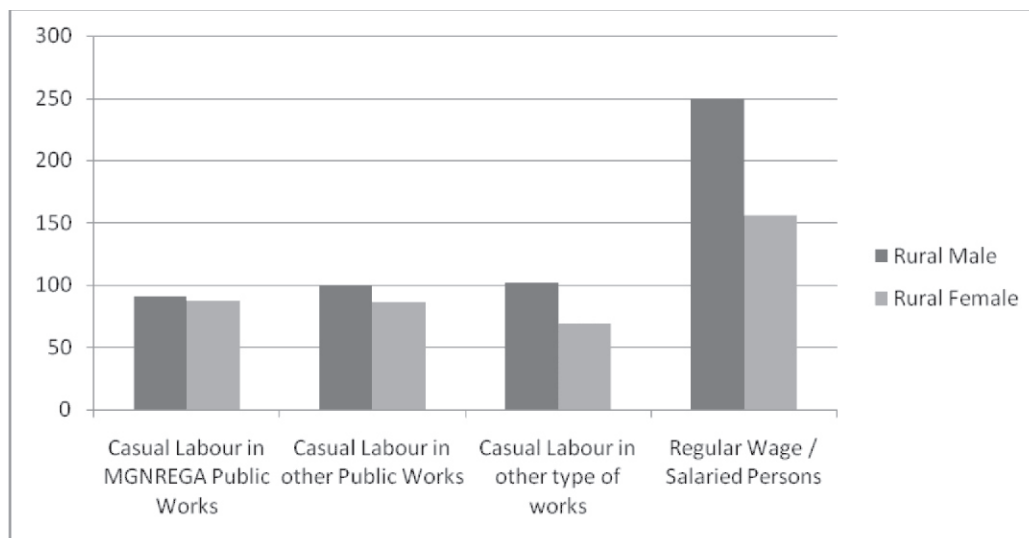
TABLE: 2 Wage Rates (Rs.) per day for persons of age 15-59 years

Category of Workers	Rural		Urban	
	Male	Female	Male	Female
Casual Labour in MGNREGA Public Works	90.93	87.20	-	-
Casual Labour in other Public Works	98.93	86.11	-	-
Casual Labour in other type of works	101.53	68.94	76.73	121.83
Regular Wage / Salaried Persons	249.15	155.87	377.16	308.79

Source: NSS Employment-Unemployment Survey (EUS) for the year 2009-2010 (66th round)

Table 2 provides the summary statistics for gender wage gap on the basis of category of worker. For this the workers can be categories into four groups. The gender wage differential is presented in rural as well as urban sector. The fact that the average gender wage differential is much higher in rural areas than urban areas and that rural wages are generally at the lower end of the overall wage distribution. While in both sectors, higher gaps are seen at the bottom, the urban gaps are almost declining, whereas the rural gaps remain very high. The regular wages of men and women in rural sector respectively are Rs.249.15 and Rs. 155.87. Whereas the regular wages of men and women in urban sector respectively are Rs.377.16 and Rs.308.79. The wage differential in rural and urban areas is also depicted in next two figures.

FIGURE: 2 Wage Rates (Rs.) per day in Rural Sector



Source: NSS Employment-Unemployment Survey (EUS) for the year 2009-2010 (66th round)

FIGURE: 3 Wage Rates (Rs.) per day in Urban Sector

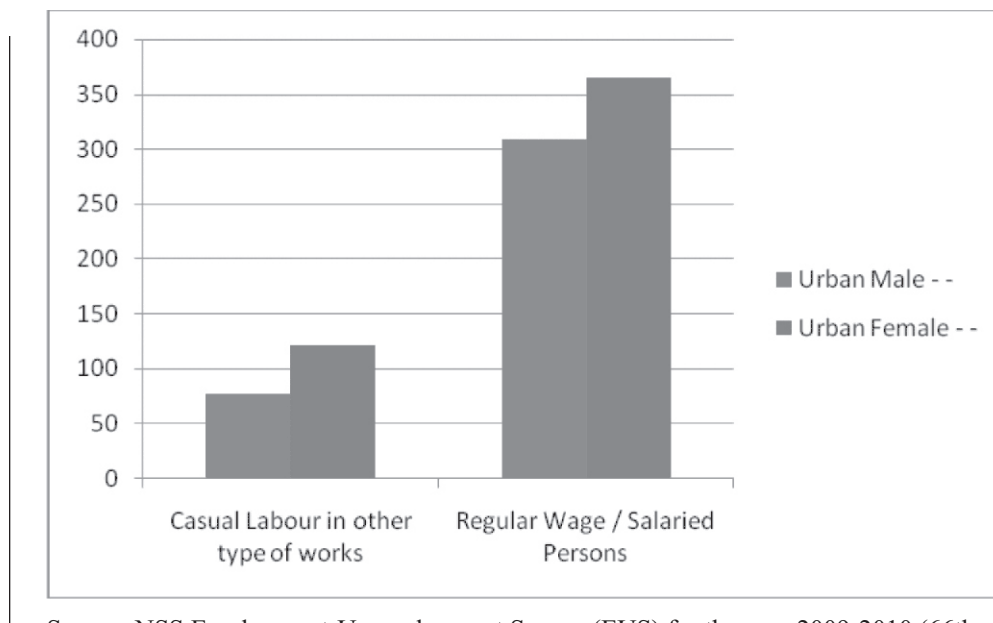


TABLE: 3 Average Daily Wage by Sectors

Sectors	Average Daily Wage (Rs.)	
	Male	Female
Private Sector	248.61	196.84
Public Sector	508.21	373.61

Source: NSS Employment-Unemployment Survey (EUS) for the year 2009-2010 (66th round)

Gender wage gaps in the public and private sectors

We observe from Table 3 that about 33 percent of the regular wage workers work in the public sector. It also shows that average wage is much higher in the public sector than in the private sector. It is Rs. 480 in public sector as compared to Rs. 240.49 in private sector. The average gender wage differential is higher in the public sector than in the private sector: It is about 36 percent in the public sector, while it is about 26 percent in the private sector. It indicates that wage differential is within sector and between sectors both exists.

TABLE: 4 Average Daily Wage by Education Level

Education Level	Average Daily Wage (Rs.)	
	Male	Female
Illiterates	146.51	87.12
Primary & Below	157.71	96.65
Middle	188.02	108.79
Secondary	260.1	179.29
Higher Secondary	324.12	225.1
Graduate/Diploma	496.23	395.29
Postgraduate	652.84	526.03

Source: NSS Employment-Unemployment Survey (EUS) for the year 2009-2010 (66th round)

Gender wage gaps for different levels of education

The above table shows that there are differences in education levels by gender. While illiterates comprise about 8 percent of the sample, the share of illiterates among women is much higher (15 percent) than that for men (6 percent). As we move up the education scale, we see that for all levels of schooling, the proportions are larger for men than for women. At the very top of the education spectrum (university education), however, we see that almost 30 percent of all women are graduates or have diplomas, whereas the corresponding share for men is 26 percent. The proportions of women who are postgraduates are over 12 percent, but lower for men i.e. 8 percent. Thus at the two extremes of the education spectrum, the illiterates and the university educated, the proportions are higher for women than men. Except primary and below, for all other six education categories, the difference in these proportions of men and women belonging to them is significantly different.

As expected, as we move up the education scale, the average daily wages increase, for both men and women. To see how disparate average wages are for men and women, note that on average illiterate men actually get more than women who have completed middle school. Average gender wage differentials are much higher for lower levels of education, and are smallest for the university educated.

TABLE: 5 Average Daily Wage by Social Groups

Social Groups	Average Daily Wage (Rs.)	
	Male	Female
SC	262.19	157.93
ST	289.64	213.64
OBC	288.42	217.87
Others	383.31	352.26

Source: NSS Employment-Unemployment Survey (EUS) for the year 2009-2010 (66th round)

The table 5 shows the wage differential among the different social groups that are SC, ST, OBC and others. The average gender wage differential is greatest for the SCs at 66 percent, and it is less than 9 percent for others. At the bottom of the distribution, therefore SCs, STs and OBCs face higher gender wage gaps, whereas at the top end of the distribution, dominated by others category, gender wage gaps are lower.

POLICIES AND THEIR IMPLEMENTATION

In the above sections we have seen that the gender wage differences exist in almost everywhere in every sectors and industry. In order to safeguard the interests of workers, both Central and State governments have announced minimum wages to be implemented by all employers. The minimum wages are announced periodically by almost all the state governments and the Central government for their respective jurisdictions of occupations. Most of these occupations fall under the informal sector and are applicable for workers engaged in manual physical labour.

The basic idea behind the announcement of minimum wages, under the Minimum Wages Act, 1948, has been to prevent the exploitation of labour by payment of unduly low wages. "The main aim of the minimum wage is to protect the lowest paid workers in order to guarantee them a decent standard of living." Minimum wage represents an economic concept, not merely a legal one in terms of enforceability under law. However, apart from the fact that doubts have been raised about the efficacy of minimum wages to cover a minimum standard of living, a number of studies show that the Act has not been implemented properly and casual workers continued to receive lower wages than the minimum.

Currently, the number of scheduled employments in the Central sphere is 45 whereas in the States sphere the number is 1650 (when all states are counted). With effect from November 2009, the National Floor Level of Minimum Wage has been increased to Rs 100 per day from Rs 80 per day (which was in effect since 2007). Recently with effect from April 1, 2011 the National Floor Level of Minimum Wage has been raised to Rs 115 per day.

Since the respective state governments have been empowered to independently fix minimum wages, disparities between wages in neighbouring states are common. In order to reduce this problem and bring comparability the Central government has set up 5 regional committees for harmonization of minimum wages.

Though a large number of women-related legislations are in place, the efficacy of these laws is not satisfactory, primarily owing to poor implementation. A major reason for this is the lack of adequate knowledge regarding these special legislations and also the absence of gender sensitivity on the part of functionaries in law enforcement, police, prosecution, medical profession, judiciary etc. Women themselves too need to be made aware of the special legislations that are available for their protection and rights.

CONCLUSION

The post-liberalization period in India is marked by fairly high economic growth and moderate employment growth. However, the growth of daily wages has lagged behind both output and employment growth. A large section of the Indian workforce, casual workers in both rural and urban areas and regular workers in the informal sector not only continue to earn much lower wages as compared with secure job holders such as regular workers in government and other organized sectors, but have also experienced slow wage growth during the post-liberalization period. The gender wage differential across different segments has been on the rise in the post-liberalization period. Wage growth in the informal non-agriculture sector has decelerated and casual workers, particularly in the agriculture sector, have witnessed the slowest increase in wages during this period, though the inequality in wage payment within each segment of workers shows a declining trend. Further, increasingly fewer benefits of the increased labour productivity are being passed on to the workers. The Minimum Wages Act is still poorly implemented, particularly in the rural areas, and a large proportion of agricultural workers continue to receive less than minimum wages. In non-agriculture sectors, although most workers do receive nominal minimum wages, they are required to work for extended hours in poor working conditions for the same wage. The pattern of wages and earnings in different sectors reveals that employment and wage growth have not been simultaneous. The sectors of mass employment and higher employment growth have witnessed the slowest growth in wages, while the sectors of low employment and slower employment growth have witnessed high wage growth. This has led to the further widening of the existing gender wage inequalities across sectors. One of the most important reasons for this is that the majority of workers in the manufacturing, trade and transport sectors are engaged in the informal sector, where daily wages are very low. Though the service sector in general shows high growth in labour

productivity, the benefits have not been translated into enhanced wages for the majority of the workers, leading to high prevalence of poverty among workers in general and casual workers in particular. Ensuring minimum wages in rural areas and improving working conditions in the urban informal sector must be taken up on a priority basis so that workers in these sectors can reap the benefits of increased labour productivity in general and earn a decent livelihood in particular. At last we can say that gender differentials in wages continue to exist, but have been declining over the years.

REFERENCES

- Abraham, Vinod (2007): "Growth and Inequality of Wages in India: Recent Trends and Patterns", *The Indian Journal of Labour Economics*, 50(4): 927-41.
- Agarwal, Sarita (1993), "Gender Discrimination in the Labour Market: A Review of Literature", *The Indian Journal of Labour Economics*, 36,(2): 152-66.
- Banga, Rashmi (2005), "Liberalisation and Wage Inequality in India", *Indian Council for Research on International Economic Relations Working Paper No. 156*.
- Chamarbagwala, Rubiana (2006), "Economic Liberalization and Wage Inequality in India", *World Development*, 34(12).
- NCEUS. 2007. "Report on conditions of work and promotion of livelihoods in the unorganised sector" (New Delhi, National Commission for Enterprises in the Unorganised Sector, Government of India).
- NSS Employment-Unemployment Survey (EUS) for the year 2009-2010 (66th round).
- NSS Employment-Unemployment Survey for the year 1999-2000 (55th round).
- NSS Employment-Unemployment Survey for the year 2004-05 (61st round).
- Oaxaca Ronald (1973), "Male-Female wage differentials in urban labour-markets", *International Economic Review*, 14(3): 693-709.
- Sarkar Sandip, Mehta Balwant Singh(2010), "Income Inequality in India: Pre- and Post-Reform Periods", *Economic and Political Weekly*,45(37), 45-55
- Sundaram, K. (2001) "Employment and poverty in the 1990s: Further results from NSSO 55th Round Employment and Unemployment Survey, 1999–2000", in *Economic and Political Weekly*, 36(32).
- Unni, Jeemol, 2001. "Gender and informality in labour market in South Asia", in *Economic and Political Weekly*, 36(26).
- Unni, J. (1998), "Wages and Employment in the Unorganised Sector," *Indian Journal of Labour Economics*, 41(4).

CORPORATE ACCOUNTING STANDARDS DISCLOSURE PRACTICES AND PATTERN OF INDIAN BANKING SECTORS- A CASE STUDY APPROACH

L.N. Koli¹
Anisha Satsangi²

Abstract

Accounting standards are concerned with the system of measurement and disclosure rules for preparation and presentation of financial statements. They appear with a set of authoritative statements of how particular types of transactions, events and other costs should be recognized and reported in the financial statements.

Accounting Standards are the policy documents (authoritative statements of best accounting practice) issued by recognized expert accountancy bodies relating to various aspects of measurement, treatment and disclosure of accounting transactions and events. As relate to the codification of Generally Accepted Accounting Principles (GAAP). These are stated to be norms of accounting policies and practices by way of codes or guidelines to direct as to how the items, which go to make up the financial statements should be dealt with in accounts and presented in the annual accounts. The aim of setting standards is to bring about uniformity in financial reporting and to ensure consistency and comparability in the data published by enterprises.

The aim of this paper is to highlights accounting disclosure practices and pattern in Indian banking sectors.

Key Words: Corporate Accounting Standards, Corporate Governance, Best Accounting practices.

INTRODUCTION-

Accounting standards are the standards for presentation of financial accounts to be prepared by business enterprises. Such standards are formulated by the institute of Chartered Accountant of India to provide a structural frame work within which credible financial accounts can be prepared.

The Institute of Chartered Accountant of India ,recognizing the need to harmonize the diverse accounting policies and practices use in India , constituted an Accounting Standard Board on 21st April,1977. Till date 32 Accounting Standard has been issued by the ICAI. Accounting Standard is used as one of the main compulsory regulatory mechanisms for preparation and external audit of general purpose financial reports. Accounting Standards are useful in providing information to different users of the financial statements like, shareholders, banks. creditors, suppliers. lenders, investors, management, employees, customers and researchers.

1. Dr. L.N.Koli is Associate Professor, Deptt. Of Accountancy & Law, Faculty of Commerce, Dayalbagh Educational Institute, AGRA

2. Dr. Anisha Satsangi is Assistant Professor, Deptt. of Applied Economics, Faculty of Commerce, Dayalbagh Educational Institute, (Deemed University), AGRA

Related Studies

According to **Dr. T.P.Ghosh**, “Accounting standards are the policy documents issued by the recognized expert accountancy body relating to various aspects of measurement, treatment and disclosure of accounting transactions and events. In short, accounting standards comprise of detailed rules relating to treatment of various items for preparing and presenting the financial statements in a more realistic, objective and purposeful manner.”

According to **P.K. Ghosh & G.C. Maheshwari**, “The logic of standard setting is based on the necessity of harmonizing the diverse policies and practices adopted by the different enterprises and ensuring consistency in the reported information of an enterprise from year to year so that users of financial statements are in a position understand and make proper use of the statements for decision purposes.”

According to **Shri Upendra Goyal**, “Accounting information and disclosures contained in quarterly, half-yearly and annual reports is one of the most important inputs that go into an investor's decision making process. The quality of the investment decision depends to a large extent on the quality of this information. The quality of this information, to a large extent, is a function of accounting standards, policies and principles, which form the basis of this information.

According to **Ravi M. Kishore**, “Accounting standards are concerned with the system of measurement and disclosure rules for preparation and presentation of financial statements. They appear with a set of authoritative statements of how particular types of transactions, events and other costs should be recognized and reported in the financial statements.”

According to **Jawahar Lal**, “The Accounting Standards deals mainly with the system of financial measurement and disclosures used in producing a set of fairly presented financial statements. Accounting standards may also be defined as a structural framework within which the credible financial statements can be prepared. The Accounting Standards are something less than the law but more than professional guidelines.”

According to **A.K. Chowdhary** “Accounting Standards are used as one of the main compulsory regulatory mechanisms for preparation of general-purpose financial reports and subsequent audit of the same, in almost all countries of the world. Accounting standards are concerned with the system of measurement and disclosure rules for preparation and presentation of financial statements. They appear with a set of authoritative statements of how particular types of transactions, events and other costs should be recognized and reported in the financial statements. Accounting standards are devised to furnish useful information to different users of the financial statements, to such as shareholders, creditors, lenders, management, investors, suppliers, competitors, researchers, regulatory bodies and society at large and so on. In fact, such statements are designed and prescribed so as to improve & benchmark the quality of financial reporting.”

According to **V.K. Sapovadia**, “Good Corporate Governance ensures better corporate performance, strong relationship with stakeholders, where the appropriate practice of Accounting standards assumes immense importance at micro level, as effective disclosure leads to shareholder's

wealth maximization and at macro level, they are essential to the efficient functioning of the economy because decisions about the allocation of resources/investment rely on credible, concise, transparent, comparable and understandable financial information about the corporate operations and financial position.”

According to **Vishavnathan Bharathan**, “Accounting Standards are the policy documents (authoritative statements of best accounting practice) issued by recognized expert accountancy bodies relating to various aspects of measurement, treatment and disclosure of accounting transactions and events. As relate to the codification of Generally Accepted Accounting Principles (GAAP). These are stated to be norms of accounting policies and practices by way of codes or guidelines to direct as to how the items, which go to make up the financial statements should be dealt with in accounts and presented in the annual accounts. The aim of setting standards is to bring about uniformity in financial reporting and to ensure consistency and comparability in the data published by enterprises

Objectives of the Study-

A study of 'Corporate Accounting Standards Disclosure Practices and Pattern of with special reference to some selective Indian Banking Sector was conducted at the time when 29 only Accounting Standards were issued by the ASB.

The objective of the study was-

- 1- To review Indian Accounting Standards
- 2- To examine the disclosure practices and pattern of Indian Banking Sector
- 3- To ascertain the difficulties faced by Indian Banks during implementation of the Accounting Standards, and
- 4- To examine the structure and pattern of Accounting Standards

Data and Methodology

- 1- The study was limited to the period from 2005-06 to 2007-08.
- 2- The study was conducted in 10 Indian Banks [Private and Public banks].
- 3- The reporting pattern of banks was judged through annual reports of the selected banks.
- 4- The secondary data were used in this study.

To expedite its remains can be visualized in Appendix -A

The Facts Findings of the study:

The following are the findings are the study-

1. The banks in both the sectors were complying with the accounting standards, as was evident from their annual reports.
2. Most of the both banking sectors, however, partially followed accounting standards, as was evidence from their annual reports.
3. Most of the private sector and public sector banks complied with the provisions of accounting standard no.1, 3, 4,6, 9,10,11,13,15,17,20,22,28 and 29
4. All banks in both the sectors provided information regarding contingent liabilities after balance sheet date in footnotes or notes in balance sheet.
5. Most of the banks prepared separate schedules of fixed assets, depreciation, investment, segmenting reporting, accounting policies, employee benefits, derivatives, related party disclosures, EPS, contingent liabilities and foreign currency etc.
6. Almost all banks provided depreciation on written down value basis at the rates specified scheduled XIV of the companies act, 1956.
7. All banks reports basic and diluted earnings per equity share in accordance with AS- 20.
8. SBI disclosed its Real Estate inventory under the head of AS-2 .Real Estate inventory is stated at cost, determined by the specific identification method.
9. In accordance with the RBI guidelines, investments are classified at the date of purchase as-
 - Held for Trading
 - Available for Sale
 - Held to Maturity
10. Investments classified under the 'Held to Maturity' category are carried at acquisition cost. Any premium on acquisition over face value is amortized on a straight line basis over the remaining period to maturity.
11. Interest income is recognized on an accrual basis except interest income on non performing assets, which is recognized on receipt.
12. Assets gives on operating lease are capitalized at cost. Rental received by the banks are recognized in the Profit and Loss account on accrual basis.
13. Some assets are depreciated as per the rates specified in Schedule XIV of the Companies Act,1956.
14. All bank's ATMs are depreciated at 12.5% per annum.

15. Accounting for transactions involving Foreign Exchange is done in accordance with AS-11(Revised 2003),The effects changes in foreign exchange rates, issued by the Institute of Chartered Accountant of India.
16. Lease payments for assets taken on operating lease are recognized in the profit and loss account over the term in accordance with the AS-19.
17. The following additional disclosures has been made taking into account the requirements of RBI guidelines in this regard-
 - Merger
 - Equity issue
 - Capital adequacy ratio
 - Business ratio
 - Maturity pattern of investments
 - Related party balances
 - Securitization
 - Employee stock option scheme
 - Transfer to investment fluctuation reserve
 - Credit exposure
 - Risk
 - Financial assets
 - Performing and non-performing assets
 - Derivatives

Limitation of Accounting Standards

Major short comings of the systems of formulating issuing enforcing and policing the accounting standards were as under-

1. There are not any specific accounting standard for the accounting of banking companies.
2. As all the accounting standards were not made mandatory there was no compulsion for the public and private sector banks to comply with all the accounting standards. It was not possible to perform a comparative study of different banks in such a situation.
3. Clear direction was lacking as to which accounting standard should or should not be applied by a company belonging to a specific industry while maintaining accounts.
4. The accounting standards issued by the ICAI are not backed by law. The standards can be effective in improving the quality of financial reporting only if their application was ensured through law. As there was no law in country to compel public or private banks to comply with

the standards issued by the ICAI, making them 'mandatory' did not have much significance.

5. Standards setting in India have not encouraged neutral and unbiased criticism of its performance, in the absence of healthy criticism. The standard setters do not become aware of the faults and demerits of the standards designed by them.
6. Lack of awareness about usefulness and standard accounting practices among users of financial statements and absence of any organized effort to make them aware, was the main reason for the companies not complying with the standards.

Suggestions:

In the light of the shortcomings of Accounting Standards given above, the following suggestions may be given to make them more relevant to the Indian Accounting and Reporting Practices:

1. The ICAI should take steps to lay down standard accounting practices in other areas that have not yet been covered by it. [Derivatives, Forward rate agreements, Performing assets and Non-performing assets, Advances, Risks, Business ratio, and Capital adequacy ratio.]
2. The banks should be classified into groups depending upon their product, and for each group of banks specified sets of accounting standards should be made mandatory.
3. Directions may be issued by the competent authority giving relaxation to banks with a lower than specified capital for not following certain accounting standards that may be considered of lesser significance.
4. To ensure maximum benefit to banks shareholders, debenture holders and stakeholders accounting standards should be modified, made simple, understandable and easily implementable for all banking sectors.
5. To achieve uniformity at international level of ICAI should formulate new accounting standards on the lines of the International Accounting Standards. There is a need for harmonization of Indian and International Accounting Standards.
6. To ensure greater compliance of standards, legal backing should be provided for these standards, for this, the Companies Act and Banking Regulation Act may be amended. This may further be supplemented by the establishment of special legal forums that may hear cases of disputes over the applicability of accounting standards.
7. The ASB should be made autonomous, so that there is least interference from government or other interests.
8. There is a need for review of accounting standards from time to time for making better.
9. Recently an amendment has been made in the Companies Act, 1956 and the accounting standards have been made mandatory. Now if a company, in public sector or in private sector,

does not follow the standards action can be taken against the company under companies act, 1956.

References:

1. Upendra Goyal, Gap Between Indian And U.S.GAAP and Significant Differences Between Indian Gaap And UK GAAP, Dibrugrh Chartered Accountants Study Circle-EIRC
2. P.K.Ghosh & G.C. Maheshawari G.C., Studies in Accounting Theory.
3. Shukla M.C., Grewal T.S. & Gupta S.C.,(1997) Advanced Accounts. S. Chand & Co. Ltd., New Delhi,
4. Ravi.M.Kishore(2007), Advanced Accounting with Accounting Standards, Taxmann, New Delhi
5. Dr. G.L. Dave (2000), Accounting Standards and their Reference to Corporate Reporting Practices in Indian Corporate Sector, Indian Journal of Accounting, Udaipur.
6. C.M.Jain (2000), Accounting Requirement Under Tax Laws and Indian Accounting Standards, Indian Journal of Accounting, Udaipur.
7. The Management Accountant, (April 2001), The GAP in the GAAP, India and the World.
8. Jawahar Lal,(1998) Establishing Accounting Standards Contemporary Accounting Issues, Vision Books, New Delhi,
9. The Corporate Report,(1976) Accounting Standards Steering Committee, , The Institute of Chartered Accountants of England and Wales, London.
10. Ramesh P.R.& N. Venkatraman ,(Oct.2000), Global Accounting Standards- Re-Statement Under U.S.GAAP The Chartered Accountants, ICAI.
11. Sunderrajan S., Accounting Standards- Regulatory interventions(Oct. 20000, The Chartered Accountant, ICAI.
12. A.K.Choudhary ,(March,2000) ,Deptt. Of Accounting.Univ.of Western Sydney Australia. “ Compliance with Accounting Standard in India, Why and How ? Management Accountant, ICWAI.
13. V.Bharathan,(2005), Indian and International Accounting Standard and Practices, S.B. College,Gulbarg.
14. V.K. Sapovadia,(2007),Comparative Analysis of Accounting Standard Vis-à-vis Corporate Governance Practices in India Vs China,IIM,Indore.
15. Annual Reports of the Selected Banks.
16. Notes of the ICAI

Appendix - A : Details of various Accounting Standards

AS No.	Title	Description	Current Status
AS-1	Disclosure of Accounting Policies	Issued in November 1979.	Mandatory in respect of accounting period commencing on or after April 1, 1991.
AS-2	Valuation of Inventories (Revised)	Issued in June 1981.	Mandatory for accounting periods beginning or after April 1, 1999.
AS-3	Cash Flow Statements (Revised)	Originally issued in June 1981 under the title changes in Financial position, Revised in March, 1997.	Mandatory in nature in respect of accounting periods commencing on or after April 1, 2001.
AS-4	Contingencies and Events Occurring and after the Balance Sheet Date.(Revised)	Originally issued in November 1982, Revised in April 1995.	Mandatory in respect of accounting period commencing on or after April 1, 1995.
AS-5	Net Profit or Loss for the Period Prior Items and Changes in Accounting Policies. (Revised)	Originally issued in November 1982 under the title prior period and extraordinary items and changes in accounting policies Revised in Feb.1997.	Mandatory in respect of accounting period commencing on or after April 1, 1996.
AS-6	Depreciation Accounting. (Revised)	Originally issued in November 1985, Revised in August 1994.	Mandatory in respect of accounting period commencing on or after April 1,1995.

AS-7	Accounting for Construction. (Revised)	Issued in December 1983 and Revised Construction Contract's was issued in 2003 which came into effect in respect of all contracts entered into on or after 1.4.2003.	Mandatory in respect of accounting period commencing on or after April,1 2003.
*AS-8	Accounting for research and development.	Issued in January 1985.	Mandatory in respect of accounting period commencing on or after April 1, 1991.
AS-9	Revenue Recognition	Issued in November 1985.	Mandatory in respect of accounting period commencing on or after April 1, 1991
AS-10	Accounting for fixed assets	Revised in January 1995.	Mandatory in respect of accounting period commencing on or after April 1,1991
AS-11	Accounting for the effects changes in foreign exchange rates. (Revised)	Issued in August 1991.	Became Mandatory in respect of accounting period commencing on or after April 1 1991; its mandatory status was postponed to accounts for periods commencing on after April 1,1993. Finally the revised standard was made mandatory to accounts for periods commencing on or after April 1,1995.

AS-12	Accounting for Government Grants	Issued in 1991 and came into effect from 1.4.1992 and was recommendatory in nature for	Mandatory in respect of accounting period commencing on or after
AS-13	Accounting for Investments	Issued in 1993.	Mandatory in respect of accounting period commencing on or after April 1, 1995.
AS-14	Accounting for Amalgamations	Issued in January 1995.	Mandatory in respect of accounting period commencing on or after April 1, 1995
AS-15	Accounting for Retirement Benefits in the financial statements of employers. (Revised)	It was issued 1995 and Revised in 2005.	It came into effect in respect of accounting periods commencing on or after April 1, 2006 and is mandatory in nature from the date.
AS-16	Borrowing Costs	Issued in 2000 .	It came into effect in respect of accounting periods commencing on or after April 1, 2000 and is mandatory in nature from the date.
AS-17	Segment Reporting	Issued in 2000.	It came into effect in respect of accounting period commencing on or after April ,1, 2001 and mandatory form April 1 , 2004.

AS-18	Related party Disclosures	Issued in 2000.	Effective from accounting period commencing on or after April 1, 2001 and mandatory from April 1, 2004. (Limited revision has been in 2003)
AS-19	Leases	Issued in 2001.	It is applicable to all enterprises for asset leased on after April 1, 2001
AS-20	Earning per share	Issued in 2001.	It came into effect in respect of accounting period commencing on or after April 1, 2001 and mandatory in nature from the date.
AS-21	Consolidated Financial Statements	Issued in 2001.	It came into effect from April 1, 2001.
AS-22	Accounting for Taxes on Income	Issued in 2001.	It came into effect in respect of accounting period commencing on or after April 1, 2001 and mandatory
AS-23	Accounting for Investments in Associates in Consolidated Financial Statements	Issued in 2001.	It came into effect in respect of accounting period commencing on or after April 1, 2002.

AS-24	Discontinuing Operations	Issued in 2002.	The Accounting Standard was issued in February, 2002 as a recommendatory Accounting Standard and made it mandatory in nature in respect of accounting periods commencing on or after April 1, 2004.
AS-25	Interim Financial Reporting	Issued in 2002.	It came into effect in respect of accounting periods commencing on or after April 1, 2002.
AS-26	Intangible Assets	Issued in 2002.	The Accounting Standards came into effect in respect of expenditure incurred on intangible items during accounting periods commencing on or after April 1, 2003 and is mandatory in nature from that.
AS-27	Financial Reporting of interest in Joint venture.	Issued in 2002.	The Accounting Standard came into effect in respect of accounting periods commencing on or after April 1, 2002. and is mandatory in nature from that.

AS-28	Impairment of Assets	Issued in 2002.	The Accounting Standard is mandatory in nature and is effective from April 1, 2004.
AS-29	Provisions, Contingent Liabilities and contingent assets.	Issued in 2003.	It came into effective in respect of accounting period commencing on or after April 1, 2004 and is
**AS-30	Financial Instruments- Recognition and Measurement	Issued in 2007.	It came into effect in respect of accounting periods commencing on or after April 1, 2009 and will be recommendatory in nature for an initial period of two years and will become mandatory in respect of accounting periods commencing on or after April 1, 2011.
AS-31	Financial Instrument- Presentation	Issued in 2007.	It came into effect in respect of accounting periods commencing on or after April,1 2009 and will be recommending in nature in respect of accounting periods commencing on or after April 1, 2011.
***AS-32	Financial Instrument:	Issued in 2007.	It came into effect in respect of accounting periods

* AS-8 is withdrawn from the date of AS-26, intangible assets becoming mandatory for respective enterprises.

**AS-30 Financial Instruments- Recognition and Measurement and limited Revisions to AS-2, AS-11 (revised 2003), AS-21, AS-23, AS-26, AS-27, AS-28 and AS-29.

*** AS-32 Financial Instrument: Disclosure and limited revision to Accounting Standard-19

Appendix - B : Comparison of Public sector banks with Private sector banks

AS	Public Sector Banks					Private Sector Banks				
	SBI Bank	PNB Bank	Bank Of Baroda	UBI	UCO Bank	ICICI Bank	HDFC Bank	UTI (AXIS Bank)	IDBI Bank	Yes Bank
AS-1	✓✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
AS-2	✓	X	X	X	X	X	X	X	X	X
AS-3	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
AS-4	X	X	X	X	X	✓	X	X	X	X
AS-5	✓	✓	✓	✓	✓	✓	X	X	X	X
AS-6	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
AS-7	✓	X	X	X	X	X	X	X	X	X
AS-8	X	X	X	X	X	X	✓	X	X	X
AS-9	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
AS-10	✓	✓	✓	✓	✓	✓	X	✓	✓	✓
AS-11	✓	✓	✓	✓	✓	✓	✓	✓	X	✓
AS-12	X	X	X	X	X	X	X	X	X	X
AS-13	✓	✓	✓	✓	✓	✓	✓	✓	X	✓
AS-14	✓	X	X	X	X	✓	X	X	X	X
AS-15	✓	✓	✓	✓	✓	✓	✓	✓	X	✓
AS-16	X	X	X	X	X	✓	X	X	X	X
AS-17	✓	✓	X	✓	✓	✓	✓	✓	✓	✓
AS-18	✓	✓	X	X	X	✓	X	✓	✓	✓

*All banks reports basic and diluted earnings per equity shares in accordance with As-20

Appendix - C : Compliance of Recommendatory Standards of disclosure requirements

Accounting Standards No.of Companies making full disclosure	Indian Banks											
	Public Banks						Private Banks					
	2005-06		2006-07		2007-08		2005-06		2006-07		2007-08	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
As-19	2	3	2	3	2	3	4	1	4	1	4	1
As-21	2	3	2	3	2	3	2	3	2	3	2	3
As-23	3	2	3	2	3	2	-	5	-	5	-	5
As-25	-	5	-	5	-	5	-	5	-	5	-	5

Appendix - D : Compliance of Mandatory Accounting Standards by some selective Indian Banks (Public and Private)

AS	No. of Banks making full disclosure	Public Banks						Private Banks					
		2005-06		2006-07		2007-08		2005-06		2006-07		2007-08	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
As-1		5	-	5	-	5	-	5	-	5	-	5	-
As-2		1	4	1	4	1	4	-	5	-	5	-	5
As-3		5	-	5	-	5	-	5	-	5	-	5	-
As-4		-	5	-	5	-	5	1	4	1	4	1	4
As-5		5	-	5	-	5	-	1	4	1	4	1	4

As-6		5	-	5	-	5	-	5	-	5	-	5	1
As-7		1	4	1	4	1	4	-	5	-	5	-	5
As-8		-	5	-	5	-	5	1	4	1	4	1	4
As-9		5	-	5	-	5	-	5	-	5	-	5	-
As-10		5	-	5	-	5	-	4	1	4	1	4	1
As-11		5	-	5	-	5	-	4	1	4	1	4	1
As-12		-	5	-	5	-	5	-	5	-	5	-	5
As-13		5	-	5	-	5	-	4	1	4	1	4	1
As-14		1	4	1	4	1	4	1	4	1	4	1	4
As-15		5	-	5	-	5	-	4	1	4	1	4	1
As-16		-	5	-	5	-	5	1	4	1	4	1	4
As-17		4	1	4	1	4	1	5	-	5	-	5	-

CHANGING DIMENSION OF INDIA'S CURRENT ACCOUNT : ROLE OF GOLD AND POL

Masroor Ahmad Beg¹

Abstract

Mercantilist believed in the economic doctrine that strict government control of foreign trade was sine qua non for ensuring military security of the country. It advocated ways and means for creating positive balance of trade. Mercantilism dominated western European economic policy and had discourse from the 16th century to the late 18th century. It was further reiterated that economically strong countries can only build politically strong economies. This was possible through amassing gold and silver in the country. Columbus was so enamored with gold that he wrote "even it can take soul into the paradise". A country can amass gold and silver only through the favourable balance of trade, which in turn, depends upon protected trade. The idea of mercantilist was critiqued by Adam Smith as "clotted economic nonsense".

In the light of above mentioned two great treatises, this paper endeavours to investigate the role of gold/silver in deteriorating current account deficits. The contribution of trade deficit reached a peak of US\$ 184.6 billion in 2011-12 from US\$ 118.6 billion in 2010-11 with the highest growth of 55.6 per cent since 1950-51. The moderate growth rate in exports amidst high import growth rates, particularly in POL imports due to high prices and high gold and silver imports, led to highest ever trade deficit in India since 1950-51 contributing to high current account deficit (CAD) of 4.2 per cent of GDP.

This paper attempts to raise and analyze the basic issues of widening current account deficits. In the context of globalizing the Indian economy, what protective measures can be taken to averse the worsening CAD and evolve the macroeconomic adjustments in such way that Indian economy can bolster and remain resilient to the upheavals in the international scenario.

Key Words: CAD, resilient, bolsters, macroeconomic adjustments, POL

Introduction

It is viewed that India's trade shrank from 0.6 per cent in 1970 to 0.4 per cent in the year 1980 when the world trade thrived considerably during the same period. The growth in the foreign trade was

1. Dr. Masroor Ahmad Beg is Associate Professor, Zakir Husain Delhi College, University of Delhi, Delhi.

inevitable keeping in view the economic reforms as steered by the new economic policy changes. The gigantic trade volume and the capital flows became the major impelling force in bringing about the structural changes during the past two decades in the Indian economy. The focus of these reforms has been on liberalization, openness, transparency and globalization with a basic thrust on the outward orientation and on the export promotion. The philosophy behind the economic reforms was that the role of the government in making decisions on resource allocation should be minimized. It was prophesized that this would not only lead to the growth and diversification but also to the upgrading of the production structure, facilitated by the imported technology and improved skills enhanced by trade. It is asserted that trade liberalization would help in the diversification of the structure of the exports and output in favour of the manufactured goods.

In the light of above statements, few research questions crops up while penning down this paper. Is it true to say that “has trade liberalization brought about the diversification of the structure of exports and output in favour of the manufactured goods”? In case of affirmative riposte, another question arises that is whether it was accompanied with the growth of manufacturing value added and the structural changes in exports and output. In nutshell, the question revolve around the basic philosophy of to what extent the objectives of the reform has been achieved. To answer these pertinent questions, the present study aims to fulfill the following objectives:

Objectives of the study:

1. To examine the trade scenario of India particularly after the opening of the economy to the world.
2. To highlight the worsening current account deficit as a ratio of gross domestic product.
3. To determine the role of gold imports on the worsening CAD.
4. To suggest ways and means to contain the CAD.

Methodology and Scope of the Study:

In this paper, an endeavour has been made to analyze the trade data using the secondary sources from Economic Survey, Ministry of Finance; Reserve Bank of India and India Development Report 2012-13. The period covered under this study is 1990/91-2011/12.

Review of Literature:

Several studies concerning to the grounds on which the idea of the economic reforms initiated are well documented in the writings of Bhagwati and Desai, 1970; Bhagwati and Srinivasan, 1975; Jha, 1980; Dhar, 1990; Ahluwalia, Montek Singh, 1994. The impact of excessive controls on the overall performance of the economy was realized by these think-tanks. Thereafter, Indian economy was opened

to international competition in the year 1991. But in retrospect, it is crucial to acquaint about the openness of the economy in the available literature. Economists have tried for a long time to provide comparative measures of openness. This, as Edwards (1998) finds, has proven to be controversial and elusive.

There are numerous studies to define economic openness and none of them are close to perfect (Rodriguez and Rodrik 2001). All the measures can be broadly divided into two categories: qualitative and quantitative. Some of them combine both the categories. For example, Sachs and Warner (1995) use a series of trade-related indicators-tariffs, quota coverage, black market premium, the existence of export marketing boards-to construct a composite openness index. Harrison (1996) devises seven different openness indicators. As Harrison asserts, the simplest measures of trade orientation are based on actual trade flows, such as imports plus exports as a share of GDP or the growth rates of imports and exports.

Henceforth, there are broadly four main measures of openness from trade data: the trade-GDP ratio, trade volume, exports, and imports. The trade-GDP ratio suffers from the endogeneity problem, while relating to GDP. For example, measuring openness as the ratio between the sum of imports plus exports to GDP clearly is a function of the growth rate of the economy-both the numerator and the denominator are linked to GDP growth (Lee et al., 2004). Harrison (1996) also points out that large countries generally have smaller trade-GDP ratios. Considering either exports or imports becomes too partial to reflect a country's openness or orientation to the outside world. The studies that use trade volume to measure openness include Liu et al. (1997), Sinha and Sinha (1999), Sinha and Sinha (2002), Din et al. (2003), and Van Hoa (2003). Hence, we take the total trade volume consisting of both exports and imports to measure the economic openness of a country. Willem Buiter and Urjit Patel (1992) cautioned that unless corrective steps were taken, India may face fiscal insolvency.

Schematic Division of the paper:

This paper has been planned as follows: Part A covers the trade policy of India since independence. Part B thrashes out the basic information relating to exports, imports, invisible transactions, various components of capital account and above all current account deficits. Part C is about the role of gold playing to impact current account deficit. Finally, Part D is intended to suggest ways and means to contain the current account deficit.

Part A

Trade policy of India Reviewed:

Indian trade policy can be configured into broad three phases. The first phase (1956-65) believed in the export pessimism, alternatively known as the period of 'indiscriminate import

substitution policy'which in fact proved detrimental to the growth of trade of India. Some element of gradual transformation through liberal policies was introduced to replace the excessive protectionism accompanied with some export incentives in the second phase (1965-1990). This phase was popularly known as transformation from the indiscriminate import substitution to efficient import substitution.

The third phase began by thwarting the erstwhile inward looking policies by the outward looking policies in the year 1991 and pursued till date as a major component of more liberalized economic policies after the economic reforms were pioneered. As a consequence, the current account deficit was quite modest and was not difficult for financing the imports during the period preceding 2010-11. In the aftermath, there came deterioration in the current account deficit mainly on account of huge imports of gold, and a higher cost of crude imports and recently, of coal. Current account deficit assumed gigantic proportion as it was fuelled by weak demand in our foreign markets which has kept our exports from growing. Within the export basket, iron ore majorly hit back the export from growing.

Several side-effects of burgeoning current account deficit have been found from the previous experiences about the Indian economy. One such side- effect is the depreciation of the domestic currency. Though, such depreciation will create export competitiveness and discourage imports by enabling the foreign importers to buy more from India but if the inflation rate is high, it will have countervailing impact on the sustainability of exports.

It is also being deliberated that fundamentals of the Indian economy should continue to be strong to sustain high growth trajectory of at least 5.5 per cent in the fiscal year 2013-14 as opposed to growth rate of 5 per cent in the previous fiscal year 2012-13. It is ironical to note that during the first quarter (April-June) of the fiscal year 2013-14, the GDP growth rate has decelerated to the extent of 4.4 per cent since the 2008 meltdown, whereas it was 5.4 per cent GDP growth rate in 2012-13 during the same quarter. Such pull-down has been associated mainly to dismal performance of mining and manufacturing. GDP data released by Central Statistical Organization (CSO) revealed that mining and quarrying contracted by 2.8 percent in the April-June quarter. Alongside, contraction in the manufacturing sector also yawned further to 1.2 per cent from one per cent in the same quarter a year earlier. These apart, other sectors such as construction, power generation, hotels and transport, also witnessed a significant deceleration in growth. The farm sector also posted a lower growth of 2.7 per cent as compared to a 2.9 per cent expansion in the same period of 2012-13. Among others, the growth rate in the services sector, which includes financing, insurance and real estate, stood pegged at 8.9 per cent against 9.3 per cent in the same quarter of 2012-13. The growth in electricity, gas and water supply was also lower at 3.7 per cent compared to 6.2 per cent a year ago, as was the construction sector which expanded by 2.8 per cent in the like quarter last fiscal. The only sector that fared better was community, social and personal services sector which posted a higher growth of 9.4 per cent as compared to 8.9 per

cent. Nevertheless, India's overall public-debt to GDP ratio has been on a declining trend from 73.2 per cent of GDP in 2006-07 to 66 per cent in 2012-13. Similarly, India's external debt is only 21.2 per cent of GDP, and while short-term debt has risen, it stands at 5.2 per cent of GDP. Our FOREX reserve stands at \$ 278 billion, and are more than sufficient to meet India's external financing requirements.

Part B

In this part, an attempt has been made to delineate the changing paradigm of exports, imports and the trade balances of India versus rest of the world to understand the extent of impact of these aggregates on the burgeoning current account deficit.

The following table presents basic information relating to exports, imports, balances of trade,

Table-1 (Trade information of Capital Account)

S.N	Items	1990-1	2000-1	2005-6	2006-7	2007-8	2008-9	2009-10	2010-11	2011-12
1	Exports	18.5	45.5	105.2	128.9	166.2	189.0	182.4	250.5	150.9
2	Imports	27.9	57.9	157.1	190.7	257.6	308.5	300.6	381.1	236.6
3=(1-2)	Trade Balance	-9.4	-12.5	-51.9	-61.8	-91.5	-119.5	-118.2	-130.6	-85.7
4	Invisibles									
	A. Receipts	7.5	32.3	89.7	114.6	148.9	167.8	163.4	198.2	105.9
	B. Payments	7.7	22.5	47.7	62.3	73.1	76.2	83.4	113.6	53.0
5=A-B	Net Invisibles	-0.2	9.8	42.0	52.2	75.7	91.6	80.0	84.6	52.9
6	Current Account	-9.7	-2.7	-9.9	-9.6	-15.7	-27.9	-38.2	-45.9	-32.8
7	Capital Account (A to D)	7.2	8.5	25.0	46.2	107.9	7.8	51.6	59.0	38.5
	A. Net Foreign Investment	0.1	5.9	15.5	14.8	43.3	8.3	50.4	39.7	13.6
	B. Net External Assistance	2.2	0.4	1.7	1.8	2.1	2.4	2.9	4.9	0.7
	C. Net Commercial Borrowing	3.3	4.9	6.2	22.7	38.5	5.9	9.6	23.5	16.5
	D. Others	1.6	-2.6	1.5	6.9	23.9	-8.8	-11.2	-9.1	-9.1
8	Overall Balance (6+7)	-2.5	5.9	15.1	36.6	92.2	-20.1	13.4	13.1	5.7
9	Monetary Movements	2.5	-5.9	-15.1	-36.6	-92.2	20.1	-13.4	-13.1	-5.7
10	Reserve	1.3	-5.8	-15.1	-36.6	-92.2	20.1	-13.4	-13.1	-5.7

Source: Ministry of Finance (Various Issues).

Interpretation of data:

From the above table, it can deduced that India's exports ascended by 13 times during the period 1990/91-2010/11 from US\$ 19 billion to US \$ 250 billion, though it trailed behind by registering negative growth in exports during 2010-11 to 2011-12 to the extent of 40 per cent. Such huge deceleration in the export growth is accountable to various factors, amidst global financial meltdown. The imports too showed augmentation of 13 times during the period 1990/91-2010/11 but later it became sluggish. Invisible transactions rose by about 20 times during the same period.

Table 2 presents data relating to exports, imports, trade balance, invisible receipts, invisible payments, net visible, current receipts, current account balance, foreign investment as per cent of GDP and the debt-GDP ratio, debt –service ratio for the year 1990-91 and the years starting from 2000-01 to 2010-11.

Table-2 (Trade information of Current Account)

Items	1990-1	2000-1	2005-6	2006-7	2007-8	2008-9	2009-10	2010-11
Exports	5.8	9.9	13.0	13.6	13.4	15.6	13.2	14.5
Imports	8.8	12.6	19.4	20.1	20.8	25.4	21.8	22.0
Trade Balance (X-M)	-3.0	-2.7	-6.4	-6.5	-7.4	-9.8	-8.6	-7.5
Invisible receipts	2.4	7.0	11.1	12.1	12.0	13.8	11.8	11.4
Invisible Payments	2.5	2.1	5.2	5.5	6.1	7.5	5.8	5.0
Net Visible	-0.1	2.1	5.2	5.5	6.1	7.5	5.8	5.0
Current Receipts	8.0	16.9	24.0	25.6	25.4	29.3	25.0	25.9
Current Account Balance	-3.0	-0.6	-1.2	-1.0	-1.3	-2.3	-2.8	-2.6
Foreign Investment	0.0	1.5	2.6	3.1	5.0	2.0	4.7	3.2
Debt-GDP Ratio	28.7	22.5	16.7	17.5	18.0	20.5	18.0	17.3
Debt-Service Ratio	35.3	16.6	10.1	4.7	4.8	4.4	5.5	4.2

Source: Reserve Bank of India

It can be viewed from the table 2 that foreign trade (Exports plus Imports) together account for 14.6 per cent of GDP in 1990-91, then it picked up to the level of 22.5 per cent by 2000-01, and 36.5 per cent in 2010-11. Adding invisible transactions of another 17.8 per cent, the total current account transactions currently constitute about 55 per cent of GDP. High trade deficit level of more than 7 per cent has been matter of concern for the policy makers, but luckily the net invisibles have kept the current

account deficit well below 3 per cent since the new millennium with the exception of the current account deficit being more than 4.2 per cent of GDP in the first quarter of the fiscal year 2013-14. The net invisibles posted more than 5 per cent since 2005-06. Foreign investments, which were virtually negligible in the early 1990s, rose to \$ 50 billion in 2009-10 in net terms but it dropped to \$ 40 billion in 2010-11. Inflows on account of foreign investments were \$ 289 billion and outflows \$ 249 billion in 2010-11. Of these, foreign direct investment was much small with inflows of \$ 33 billion and outflows of \$ 7 billion in 2010-11. But, portfolio investments were fairly large with inflows of \$ 253 billion and outflows of \$ 221 billion in the same year. Receipts and payments of loans stood at \$ 108 and \$ 79 billion respectively in 2010-11. India has failed in attracting large FDI inflows. A larger volume of FDI could play a stable role in promoting exports, market diversification, and technology transfer. India's external-debt-GDP ratio at less than 20 per cent in recent years and debt service ratio, though, in single digit seems less comfortable.

Effects of global crisis:

A closer integration of India in the global market meant that Indian economy could no longer remain immune to major global economic developments. Policymakers who advocated that India might not be affected by the global economic crisis in 2008 quickly abandoned the 'decoupled' hypothesis as the crisis spread to several countries. Gains of coupling obviously went with associated costs as measured by reduced GDP growth. There were several channels through which the crisis affected India.

1. The net foreign investment came down sharply by \$ 35 billion in 2008-09 when many foreign investors reallocated their portfolios away from India to meet their domestic cash needs.
2. Reduction in exports growth was recognized as the second channel of the global crisis affecting India. Exports were growing at 20-25 per cent prior to the crisis, but dropped by 9.4 per cent in 2009-10, though they bounced back in the following year. Contraction of exports demand affected aggregate demand and GDP growth in the economy.
3. Contraction of trade and capital flows, in turn, affected the exchange rate. Nominal exchange rate depreciated continuously amid some appreciation. The onset of crisis in the Euro zone again put pressure on the exchange rate with further depreciation of Rupee to above Rs. 55 a dollar in mid 2012.

Some useful steps taken:

The Union Government and the Reserve Bank of India adopted several fiscal and monetary measures in response to the crisis. The government adopted expansionary fiscal policy and reduced central excise duties by about 25 per cent to raise effective demand. Using a computable general equilibrium model, Ganesh- Kumar and Panda (2009) estimated that the total effects of the global crisis

on Indian GDP was potentially about 5 per cent and the government possibly neutralized about half of it through various fiscal measures. One silver lining in this context is the diversification of the direction of trade which helped India to moderate the impact of the global crisis.

Since the title of this paper intends to discern the role gold has played in making current account deficit vulnerable, therefore, the following table provides the data relating to the percentage share of Gold and Silver and Petroleum, Oil and lubricants in total imports and their percentage change/growth of these products particularly since the liberalization process came into being.

Table-3 (Percentage share & change in commodity imports)

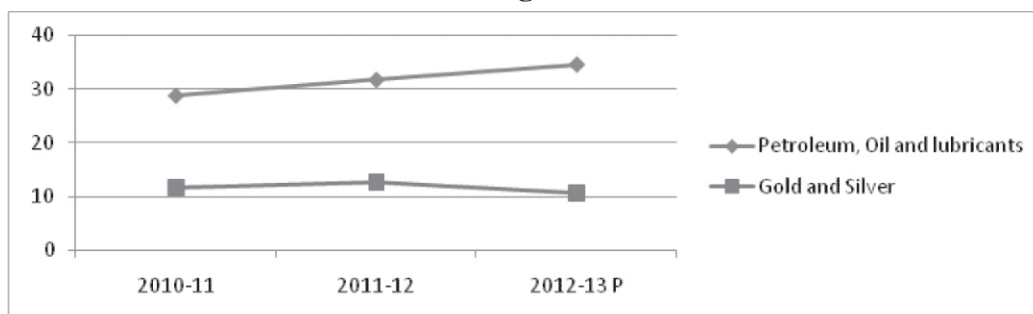
Commodity Group	Percentage Share of total imports			Percentage Change		
	2010-11	2011-12	2012-13 ^P	2010-11	2011-12	2012-13 ^P
Petroleum, Oil and lubricants	28.7	31.7	34.6	21.6	46.2	11.7
Gold and Silver	11.5	12.6	10.5	43.0	44.5	-20.4

Source: DGCI&S, Kolkata
P= Provisional

From the above table it is evident that share of gold and silver in total imports of the country has kept rising pace during 2010/11-2011/12 though it was projected that the share of gold and silver would fall by little over 20 per cent. As against it, the share of petroleum, oil and lubricants also kept rising during the same period but the imports of POL was expected to decline in the year 2012-13. The percentage change in the imports of gold and silver has risen from 43 per cent in the year 2010-11 to 44.5 per cent in the year 2011-12. It is imperative that the imports of gold and silver would show negative growth due to enhancement of import duty on gold.

The share of both the products has been portrayed in the following diagram.

Fig.-1

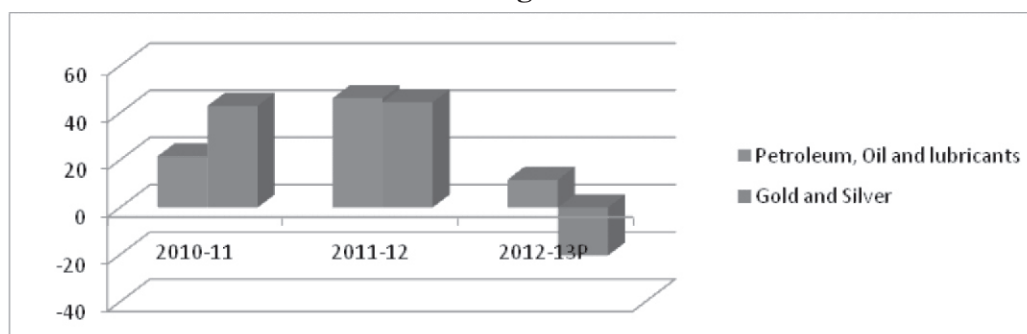


The widening gap between the import lines of petroleum, oil and lubricants and gold and silver is evincive of the fact that the uninterrupted growing import needs of the country especially of POL is difficult to curtail unless substitute source of energy is found out. Nevertheless, the appetite for gold and

silver can be brought under feasible control for no reason and rhyme, as putting an extra burden on the mushrooming problem of CAD.

The trend in the import of petroleum, oil and lubricants as one category and the gold and silver as another category has been shown in the following picturesque.

Fig.-2



The trend analysis for the year 2010-11 shows wide gap between the growths of these products but the unrelenting growth in these two products has shrunk the gap between these twin products. By the year 2012-13, the trends are moving in the opposite direction. Therefore, the role of gold in vitiating the burgeoning current account deficit cannot be seen from the present analysis but nevertheless, the precarious role it has played in the recent past has done more damage than it could bolster the economy in the sense Columbus had enamored.

Summary, Conclusion and Policy Implications:

As a measure to contain the current account deficits, we need to reduce our appetite for gold, economize on the use of petroleum products and take positive steps to increase our exports. But unfortunately, the global financial crisis, turned debt crisis, culminated into steep rise in commodity prices, especially gold. This, now in hindsight, rather unsurprising fact, has mostly been derived by the meteorically increasing demand for safe heavens to park the world's savings. Global gold prices, as denominated in US\$, have doubled since 2008, and increased three times as denominated in Indian rupees. It is also callous fact that India has been a major absorber of world gold. The last three years have seen a substantial rise in gold imports (the value of gold imports increased nine times between January 2008 and October 2012), contributing significantly to the current account deficit along with oil. It has also been realized that gold imports are positively correlated with inflation. High inflation reduces the return on other financial instruments. This is reflected in the negative correlation between rising imports and falling real rates. Despite the government's attempt to contain the import of gold, the demand for gold has been treated as investment tool which has been rising over time. Gold has been a combination of investment tool and status symbol in India. With limited access to financial instruments, especially in the rural areas, gold and silver are popular savings instruments. The recent economic uncertainty has seen

people across the board buying gold. Almost all of India's demand for raw gold is met through imports. Sanjay et .al. (2012) have demonstrated that the composition of gold has been a steady movement towards non jewellery items. Anecdotally, this can be construed as a rising demand for pure investment, predominantly in the urban and semi-urban areas. In the last quarter, the non-jewellery constituted 40 per cent of the total demand. This observation, in line with global trends, is easily explained by the declining real returns on the gamut of financial instrument available to the investor and soaring ones on gold (23.7 per cent annual average return between April 07 and March 2012 versus 7.3 per cent return on Nifty and 8.2 per cent on savings deposits). Therefore, to curb the CAD, reduction in gold purchase is the most necessitated. The overarching motive underlying the gold rush is high inflation and the lack of financial instruments available to the average citizens, especially in the rural areas. The rising demand for gold is only a “symptom” of more fundamental problems in the economy. Curbing inflation, expanding financial inclusion, offering new products such as inflation indexed bonds, and improving saver access to financial products are all of paramount importance. Given soaring energy and transportation needs, since there seems to be little we can do to temper oil imports, gold is the component that needs to be contained to bring down the extent of CAD back to comfort zone.

References:

- Ahluwalia, M. S., (1993), “India's Economic Reforms, Seminar on India's Economic Reforms”, Merton College, Oxford.
- Bhagwati, J., and Srinivasan. T.N, (1975),“Foreign Trade Regimes and Economic Development”, India. New York: National Bureau of Economic Research.
- Bhagwati, J., (2001), “The design of India's Development”, in I.J. Ahluwalia and I.M.D. Little (Eds.), India's economic reforms and development: Essays for Manmohan Singh, New Delhi: Oxford University Press.
- Bhagwati, J., and Padma. D, (1970), “India: Planning for Industrialization”, London: Oxford University Press.
- Dhar, P.N., (1990), “Constraints on growth: Reflections on the Indian Experience”, New Delhi: Oxford University Press.
- Din, M.E., Ghani and O. Siddique (2003), “Openness and Economic Growth in Pakistant” , The Pakistan Development Review 42 (4): 795-807.
- Edward, S. (1998), “Openness, Productivity and Growth: What do We Really Know?”, The Economic Journal 108 (March): 383-98.
- Ganesh-Kumar, A. and Manoj Panda (2009), “Global Economic shocks and Indian Policy Response: An Analysis Using a CGE (Computable General Equilibrium)Model', in Kirit S.

- Parikh (ed.), *Macro-Modelling for the Eleventh Five Year Plan of India*, New Delhi: Planning Commission, Government of India and Academic Foundation, pp. 119-90.
- Harrison, A. (1996). "Openness and Growth: A Time-Series, Cross-Country Analysis for Developing Countries", *Journal of Development Economics* 48: 419-47.
 - Jha, L.K., (1980), "Economic strategy for the 80's" New Delhi, Allied Publishers.
 - Lee, H.Y., L.A. Ricci and R. Rogobon (2004), "Once Again, is Openness Good for Growth?", *Journal of Development Economics* 75: 451-72.
 - Rodriguez, F. and D, Rodrik (2001). "Trade Policy and Economic Growth: A Skeptic's Guide to the Cross-National Evidence" , in B. S. Bernanke and K. Rogoff (eds.), *NBER Macroeconomics Annual 2000*. Cambridge: MIT Press
 - Sachs, J. and A. Warner (1995). "Economic Reform and the Process of Global Integration ", *Brookings Papers on Economic Activity* 1: 1-118.
 - Sehgal, Sanjay, Munish Kumar, Wasim Ahmad amd Priyashi Gupta, (2012), "The gold rush and policy options: An empirical study" Department of Financial Studies, University of Delhi.
 - Sinha, D. and T. Sinha (2002). "Openness, Investment, and Economic Growth in Asia" , *Indian Economic Journal* 49(4): 90-95.
 - Srinivasan, T. N., (2001), "Integrating India with the world economy: Progress, problems and prospects", <http://www.econ.yale.edu/~srinivas/>
 - Srinivasan, T. N., (2003), "Indian economic reforms: Astocktaking". <http://www.econ.yale.edu/srinivas/>
 - UNCTAD, (2009), "Impact of global slowdown on India's exports and employment. New Delhi: UNCTAD-India.

A STUDY ON BUSINESS OWNERS' SATISFACTION IN THE DIRECT SELLING WITH SPECIAL REFERENCE TO AMWAY INDIA

B. Angamuthu¹

Abstract

Success in Direct Selling is about a lot of people, each doing a little. Every person's effort combines together to create a gigantic momentum. Globally Direct Selling is an industry with US\$ 153.73 billion generated by over 91.5 million direct-selling distributors. Amway Corporation is the world's largest direct selling organization and it has helped to empower millions of peoples around the world by offering them a low-cost, low-risk business opportunity to achieve their goals. Presently, 3.5 million active distributors involved in Amway business around the world and this business opportunity is open to everyone, regardless of gender, race, age, religion, or political or other personal beliefs. Amway India was established in 1995. It commenced commercial operations in May 1998. In the brief period since launch, it has emerged as the country's largest Direct Selling Company. The Company has provided income generating opportunities to over 6,50,000 active Distributors also known as Amway Business Owners (ABOs). This empirical study aims to study the socio-economic characteristics of the ABOs and their overall satisfaction towards Amway business. In addition, identify the impact of various factors on satisfaction among ABOs and its variance explained by these factors. Self-designed questionnaire has been used for collect primary data and 100 ABOs were selected from various areas from Coimbatore, Tiruppur and Erode Districts of Tamil Nadu state using purposive sampling method. Results of this study shows that income generation, recognition & consumers' response, product features, purchase facilitators, products variety and training provided by the company are the responsible factors on satisfaction among ABOs under Amway India.

Key Words: Direct Selling, Multi-level Marketing, Network Marketing, Distributors, Business owners, Amway India,

1. INTRODUCTION AND EXECUTION OF THE STUDY

1.1 Introduction

Direct selling/marketing, also known as network marketing, refers to the practice of distributing, selling or supplying products or services through various levels of independent agents

1. Dr. B. Angamuthu is M.Com, MPhil, PhD, Independent Researcher, Molapalayam, Pooluvapatti (PO), Coimbatore – 641 101 Tamil Nadu, India.

(Distributors, Business owners, Contractors etc.). These agents are paid commissions, bonuses, discounts or other forms of consideration in return for selling products or services and/or for recruiting other agents. Amway India is the country's leading direct selling Fast Moving Consumer Goods (FMCG) Company which manufactures and sells world-class consumer products with the provision of 100% money back guarantee when the consumers not completely satisfied about the Amway products. Amway India is a wholly owned subsidiary of Amway Corporation, USA and Amway Corporation is one of the largest Direct Selling companies in the world. Amway is more than 56 years old company worldwide and it has a presence in more than 100 countries. In Globe level, Amway offer 450 unique high-quality products in the areas of Nutrition & wellness, Beauty, Homecare and Personal care, Hometech & Insurance. Amway products are rated very favorably for performance in various tests around the world. Amway have their own extensive Research & Development (R&D) and manufacturing facilities and also make major investments each year in this area. Currently, Amway own more than 450 patents worldwide, and currently employ more than 450 R&D professionals in 65 labs around the world. Amway India commenced its business operations in 1998 but established in 1995 with headquarters of New Delhi. Amway has invested in excess of INR Rs. 200 crores in India. Of this 26 Crores is in the form of Foreign Direct Investment (FDI). In the brief period since launch, it has emerged as the country's largest Direct Selling Company. In Twenty years of commercial operation, Amway India has presence of over 152 offices and 64 city warehouses and four regional mother warehouses across nation-wide. The distribution & home delivery network setup with support of independent logistics partners is spread across 5,500 locations. At present, Amway India offers over 140 products across five categories. They are Personal care, Home Care, Nutrition & Wellness, Cosmetics and Great Value Products. In 2007-08 the Company has provided income generating opportunities were 4.5 lakh Business Owners but it has crossed 650,000 in the end of 2013. Amway India has 500 full time employees and has generated indirect employment for 2000 persons through contract manufacturer locations. Amway India is a member of the Indian Direct Selling Association (IDSA). The IDSA is an industry regulatory body, with several reputed international and Indian Direct Selling companies as members. Amway India is a member of the Confederation of Indian Industries (CII) and Federation of Indian Chambers of Commerce (FICCI). Amway India reported its turnover of INR Rs. 2,288 crore for the financial year 2012-2013 registering a little over 7% of the growth over the last fiscal when it recorded a turnover of Rs 2,130 Crores but its target is \$1 Billion turnover by 2015. Health and beauty categories together contributed more than 60% of Amway India's revenues.

1.2 Statement of the problem

The success of Amway India completely depends on the satisfaction of business owners and

consumers of Amway products. Vanishree and Shanthi (2014) in their research focuses on the customer satisfaction towards Amway products but there is no study on the satisfaction of ABOs. So, the current research work primarily fulfils this research gap through study the responsible factors on satisfaction among ABOs.

1.3 Objectives of the study

- ❖ To study the socio-economic characteristics of the ABOs and their overall satisfaction towards Amway business
- ❖ To identify the impact of various factors on satisfaction among ABOs and its variance explained by these factors
- ❖ To estimate the overall satisfaction of ABOs based on certain important extracted factors

1.4 Hypotheses of the study

- ❖ H_{01} : There is no significant difference between socio-economic characteristics of the ABOs and their overall satisfaction towards Amway business
- ❖ H_{02} : $f_1, f_2, f_3, \dots, f_n$ independently will have a negative effect on overall satisfaction of the ABOs in the Amway business.
- ❖ H_{03} : Related factors ($f_1, f_2, f_3, \dots, f_n$) have lesser influence on overall satisfaction of the ABOs in the Amway business.

2. REVIEW OF LITERATURES

Vanishree and Shanthi (2014) aims to study the satisfaction level of customers towards Amway products and also analyze the problems faced by customers. the authors reported that the customers have very high level satisfaction towards the presentation made by marketing executives, quality and long term usage of the products but majority of the respondents have complaints regarding the price of Amway products. Marital status, size of the family and income plays vital role in determining the satisfaction level of customers of Amway products. Syamala (2013) in her research highlights on women customers' satisfaction level towards products of Lakme company Ltd. This study shows that 2/5th of the women customers prefer facial related cosmetic products. Quality is the most reason for buying Lakme products and 6/10th of the women customers are satisfied towards using Lakme products. Raj (2012) in his theoretical study develops an effective network marketing-supply chain management model that uses network marketing and supply chain management as key strategies, and shows their positive impact on customer satisfaction and customer loyalty. The author concluded that the positive and strong customer satisfaction and customer loyalty, in turn, would impact the manufacturer-network marketing channel-customer chain thereby providing a continuous improvement aspect to the model. Joyce Koe and Soo Wai, Mun (2011) their study aims to investigate the influence of perception of MLM companies

and agent attributes on the willingness to undertake MLM as a career among youth in Malaysia. The study developed statistically valid and reliable scales for all the constructs of this study namely perception of attributes of MLM companies (general, schemes and service) an agents (general and trust) as well as willingness to undertake MLM as a career option. The findings indicate that all MLM company and agent attributes have a significant influence on the willingness to undertake MLM as a career option except MLM schemes. General agent attributes displayed a significant negative influence. Eddie (2010) in his empirical study focus on the channel share prediction in direct marketing retailing and result of this study shows that the multi-channel choice model that incorporates the channel benefits has stronger channel share prediction power than the model without. It further shows that consumers are more likely to choose the internet channel when the consumer has low perceived risk and high experience and familiarity with the purchase, but they are more likely to choose the call center when the consumers have high perceived risk and low experience and familiarity. Braulio and Maria (2009) examine the determinants of customer choice of direct selling and satisfaction of the consumer. The primary data collected from 378 Portuguese and carried out a hierarchical cluster and a logist analysis to assess the buyers' profile, choice criteria and satisfaction. This study found that the profile pattern influences the level of direct selling preference and satisfaction. Further, the results led to identificator of three specific clusters and confirms the importance of the buyer's experience with this way of shopping. The interactive nature of direct selling renders the customers highly permeable to the sales person's influence. Dennis (2005) explores the application of direct selling from the perspective of The Longaberger Company, The Pampered Chef and The Tupperware Corporation that have built their business around direct selling and those who are evolving into direct selling. This study finds that direct selling is an increasingly important component of the marketing mix for many traditional, successful companies and presents some keys to success. Kustin and Jones (1995) investigate to consumer perceptions and concerns regarding direct selling in New South Wales and Victoria. Consumers were surveyed to determine their perception of direct selling and its relationship to consumer purchasing decisions. The results indicate that the consumers had a negative perception towards network marketing, while holding a low positive view of direct selling. There appears to be no influence of network marketing on consumer purchase decisions.

3. RESEARCH METHODOLOGY

Research Design: Empirical research

Data: Primary data

Tools for data collection: Self-designed questionnaire

Sampling Size: 100 ABOs

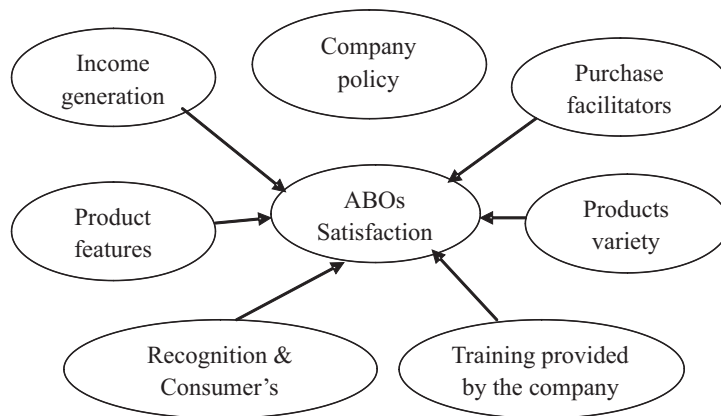
Sampling Area: Coimbatore, Tiruppur and Erode Districts of Tamil Nadu State

Sampling Design: Purposive sampling technique

Period of Study: September'2013 to April' 2014

Application of statistical tools: % Analysis, One way-ANOVA, KMO measure of sampling adequacy and Bartlett's test of Sphericity test, Factor analysis, Correlation and Multiple regression analysis.

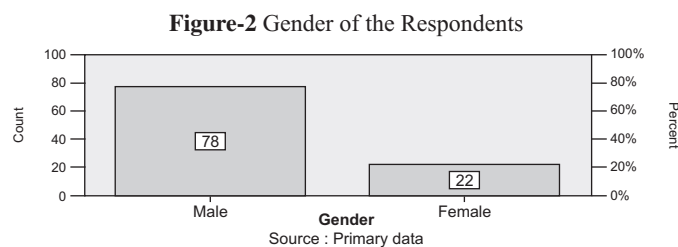
Figure – 1: Research Model towards Factors on Satisfaction of ABOs



4. ANALYSIS AND INTERPRETATIONS

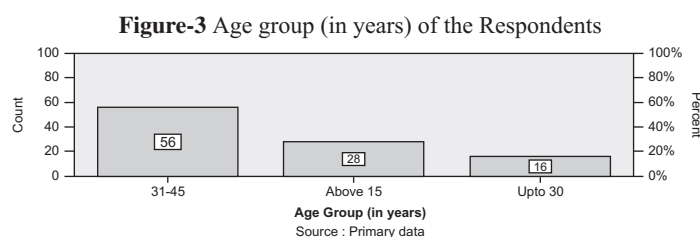
4.1 Gender of the Respondents

Distribution of the respondents based on their gender is given in the Fig. – 2 and it is concluded that majority (78%) of the respondents are male.



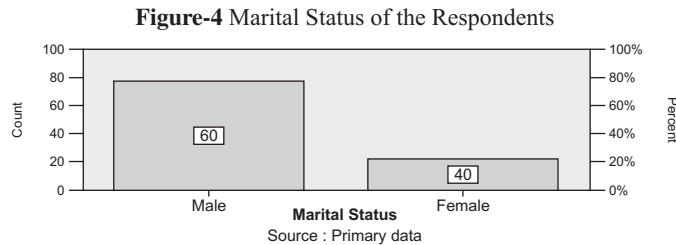
4.2 Age group of the Respondents

Distribution of the respondents based on their age group is given in the Fig. – 3 and it shows that majority (56%) of the respondents are belongs to middle age group (31-45 years).



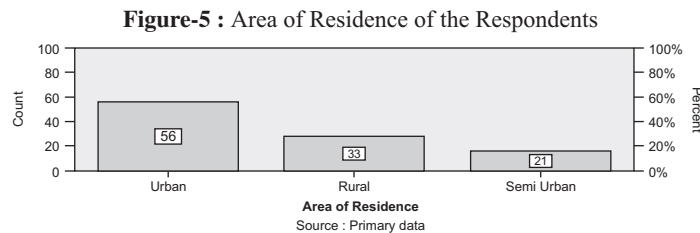
4.3 Marital status of the Respondents

Distribution of the respondents based on their marital status is given in the Fig. – 4 and it shows that 3/5th of the respondents are married and the remaining 2/5th of them unmarried.



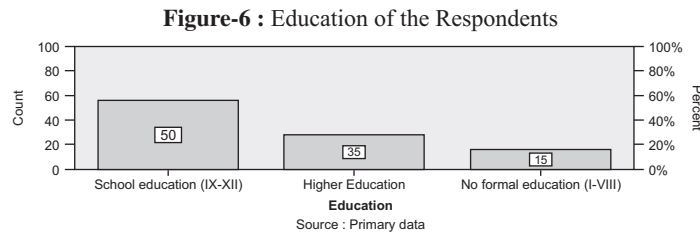
4.4 Area of Residence of the Respondents

Distribution of the respondents based on their area of residence is given in the Fig. – 5 and it reports that 56% of the respondents are living in urban areas, 23% of respondents living in rural areas and the remaining 21% of them in semi-urban areas.



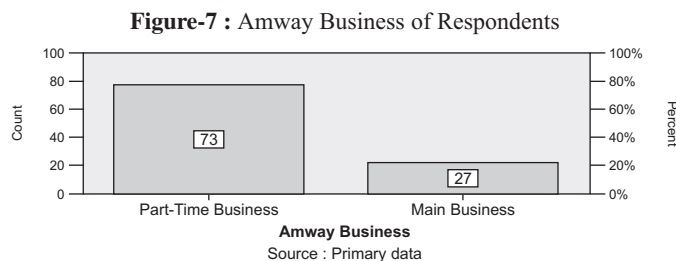
4.5 Education of the Respondents

Distribution of the respondents based on their education is given in the Fig. – 6 and it shows that half of the respondents have completed school level education. This is followed by 35% of the respondents have higher education and the remaining 15% of the respondents do not possess formal education.



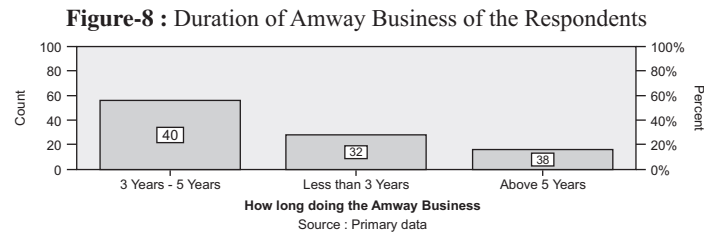
4.6 Amway Business of the Respondents

Distribution of the respondents based on their type of business is given in the Fig. – 7 and it is concluded that more than 7/10th of the respondents are doing part-time business regarding sale of Amway products.



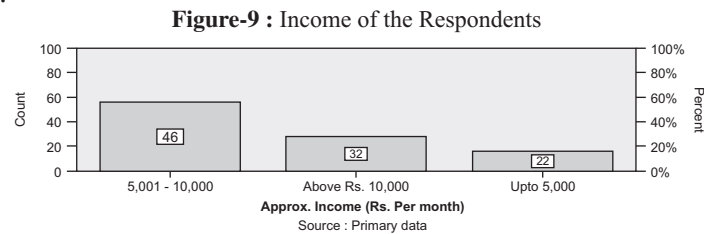
4.7 Duration of Amway Business of the Respondents

Distribution of the respondents based on their duration of Amway business is given in the Fig. – 8 and it is concluded that majority (40%) of the respondents are doing Amway business between 3 – 5 years.



4.8 Income of the Respondents

Distribution of the respondents based on their income under Amway business is given in the Fig. – 9 and it is concluded nearly half of the respondents should earn Rs. 5,001 –Rs. 10,000 per month under Amway business.



4.9 Difference on Socio-economic characteristics of the Respondents and their Overall Satisfaction

Ho₁: There is no significant difference between age group, area of residence, education, duration of business, income of the respondents and their overall satisfaction towards Amway business.

Ho_{1a}: There is a significant difference between age group, area of residence, education, duration of business, income of the respondents and their overall satisfaction towards Amway business.

Table – 1: Difference on Overall satisfaction of Respondents – One Way ANOVA

		Sum of Squares	df	Mean Square	F	Hypothesis
Age Group (in years)	Between Groups	0.768	4	0.192	0.436	Accept Ho ₁ & Reject Ho _{1a}
	Within Groups	41.792	95	0.440		
	Total	42.560	99			
Area of residence	Between Groups	4.035	4	1.009	1.496	Accept Ho ₁ & Reject Ho _{1a}
	Within Groups	64.075	95	0.674		
	Total	68.110	99			
Education	Between Groups	1.345	4	0.336	0.716	Accept Ho ₁ & Reject Ho _{1a}
	Within Groups	44.655	95	0.470		
	Total	46.000	99			

How long doing the Away Business	Between Groups	3.487	4	0.872	1.470	Accept Ho ₁ & Reject Ho _{1a}
	Within Groups	56.353	95	0.593		
	Total	59.840	99			
Approx. Income (Rs. Per month)	Between Groups	2.552	4	0.638	1.201	Accept Ho ₁ & Reject Ho _{1a}
	Within Groups	50.448	95	0.531		
	Total	53.000	99			
Source: Primary data						
** Sig @ 1% & * Sig. @ 5% level						

It is observed from the Table – 1 that the calculated value of 'f' between age group, area of residence, education, duration of business, income of the respondents and their overall satisfaction towards Amway business comes out greater than the 5% significant level. So, Accept Ho₁ & Reject Ho_{1a}. It can be concluded that there is no significant difference between age group, area of residence, education, duration of business, income of the respondents and their overall satisfaction towards Amway business.

Ho₂: There is no significant difference between gender, marital status, business type of the respondents and their overall satisfaction towards Amway business

Ho_{2a}: There is a significant difference between gender, marital status, business type of the respondents and their overall satisfaction towards Amway business

Table - 2: Difference on Overall satisfaction of Respondents – t test				
Variable	Variance	t	df	Hypothesis
Gender & Overall satisfaction	Equal variances assumed	1.4606	98	Accept Ho ₂ & Reject Ho _{2a}
Marital status & Overall satisfaction	Equal variances assumed	-1.7732	98	Accept Ho ₂ & Reject Ho _{2a}
Business type & Overall satisfaction	Equal variances assumed	-1.7775	98	Accept Ho ₂ & Reject Ho _{2a}
Source: Primary data				
** Sig @ 1% & * Sig. @ 5% level				

It could be collected from the Table – 2 that the calculated vaule of 't' between gender, marital status, business type of the respondents and their overall satisfaction towards Amway business comes out greater than the 5% significant level @ 98 df. So, Accept Ho₂ & Reject Ho_{2a}. It can be reported that there is no significant difference between gender, marital status, business type of the respondents and their overall satisfaction towards Amway business.

4.10 Impact of various factors on satisfaction among Respondents and its variance explained by these factors

The KMO measure of sampling adequacy is an index that compares the sizes of the observed correlation coefficients to the sizes of the partial correlation Coefficients. It is derived as follows

$$= (r_{2ij}) / (r_{2ij}) + (a_{2ij})$$

Further, Bartlett's test of Sphericity tests whether the correlation matrix is an identity matrix, which would indicate that the factor model is inappropriate or appropriate. Here, χ^2 also considered and it is calculated as follows

$$= [(n-1) - 1/6(2p+1+2/p)] [\ln S + p \ln(1/p) - \sum I_j]$$

p=number of variables

k=number of components

I_j =jth eigen value of Sdf=(p-a) (p-2)/2

Bartlett's test of sphericity is used to test whether the correlation matrix is an identity matrix. The test value (266.637** df 136) and the significance level (P<.01) which are indicate that the correlation matrix is not an identity matrix, i.e., there exists correlations between the variables. Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy or KMO measure is closer to 1, and then it is good to use factor analysis. The value of test statistics is given 0.5 & above, which means the factor analysis for the selected variables is found to be appropriate to the data. This is followed by factor analysis used. The factor analysis is a generic name given to a class of multivariate statistical methods whose primary purpose is data reduction and summarization. Factor analysis identifies common dimensions of factors from the observed variables that link together the seemingly unrelated variables and provides insight in the underlying structure of the data. The common intention of factor analytic technique is to find way of condensing (summarizing) the information contained in a number of original variables into a smaller group of new composite factors with a minimum loss of information. In this current study, the Principal Component Analysis (PCA) was used. The PCA has been described as a mathematical procedure that uses an orthogonal transformation to convert a set of observations of possibly correlated variables into a set of uncorrelated variables called principal components. PCA is usually done when we have a number of observed variables that are believed to influence a given dependent variable, but then these variables are so many that they are correlated. In this situation we want a smaller number of important variables that will account for most of the variance in the observed variables. Further, varimax rotations have been used in order to simplify the factor structure by maximizing the variance of a column of pattern matrix because it is one of the most popular methods used in several social sciences research papers. In addition Eigen value is also used; it helps to find out the amount of variance in overall data. Finally, determination

of the factors based on the factor score are estimated for each factor with a new name given about grouped variables. Below is the general form for the formula to compute scores on the first component extracted (created) in a PCA

$$F_i = W_{i1}X_1 + W_{i2}X_2 + \dots + W_{ik}X_k$$

Where,

F_i = Estimate of the i th factor

W_1 = Factor (weight) score co-efficient

k = Number of variables

Factor Analysis technique has been applied to find the underlying dimensions (factors) that exists in the seventeen variables relating to the satisfaction of respondents is assessed with the help of Factor analysis. The results are presented here below.

Table - 3: Impact of various factors on satisfaction among Respondents and its variance explanation

Variables	I	II	III	IV	V	VI	VII	Communalities
SV ₁	0.143	-0.069	-0.041	0.763	-0.007	0.031	-0.251	0.673
SV ₂	0.420	0.088	0.058	0.507	-0.214	-0.292	0.034	0.577
SV ₃	0.677	0.112	0.149	0.180	0.033	0.017	0.228	0.578
SV ₄	0.768	-0.133	-0.110	-0.014	0.077	0.037	-0.068	0.633
SV ₅	0.539	0.108	0.027	-0.049	-0.082	0.235	-0.280	0.445
SV ₆	-0.072	0.740	0.051	0.268	-0.278	0.168	-0.036	0.735
SV ₇	0.213	0.690	0.041	-0.125	0.191	0.129	-0.025	0.592
SV ₈	-0.103	0.651	0.094	-0.053	0.124	-0.315	-0.128	0.577
SV ₉	0.063	0.260	0.041	-0.222	0.746	-0.101	-0.027	0.691
SV ₁₀	-0.025	-0.155	0.011	0.302	0.763	0.154	-0.115	0.736
SV ₁₁	-0.210	0.109	0.008	0.612	0.309	0.083	0.376	0.675
SV ₁₂	0.099	0.040	-0.123	0.130	0.207	0.780	0.037	0.696
SV ₁₃	-0.006	-0.145	-0.006	-0.100	-0.151	0.132	0.854	0.801
SV ₁₄	0.147	0.026	0.303	-0.209	-0.284	0.637	0.168	0.672
SV ₁₅	-0.052	-0.073	0.761	-0.210	0.055	0.009	0.147	0.656
SV ₁₆	-0.023	0.164	0.743	0.209	-0.109	0.239	-0.276	0.769
SV ₁₇	0.164	0.192	0.611	0.094	0.094	-0.373	0.016	0.595
Eigen Value	1.707	1.698	1.668	1.646	1.594	1.556	1.230	

% of variance	10.041	9.987	9.810	9.684	9.376	9.154	7.238	
Cum. % of Variance	10.041	20.028	29.838	39.522	48.898	58.052	65.290	
Extraction Method: Principal Component Analysis.								
Rotation Method: Varimax with Kaiser Normalization.								
Source: Primary data								

Table - 3 gives the rotated factor loadings, communalities, eigen values and the percentage of variance explained by the factors. Here, Seven factors have been extracted out of the seventeen satisfaction variable (SV) and these extracted factors put together explain the total variance of these satisfaction of respondents towards Amway business to the extent of 65%. In order to reduce the number of factors and enhance the interpretability, the factors are rotated. The rotation increases the quality of interpretation of the factors. There are several methods of the initial factor matrix to attain simple structure of the data. The varimax rotation is one such method to obtain better result for interpretation is employed and the results are given in Table - 4.

Table - 4: Clustering of Parameters into Responsible Factors on Satisfaction of the Respondents		
Factors	Variables	Rotated Factor Loadings
I - 10.041	Location of Amway distribution centre (SV ₄)	0.768
	Company's transparency and Openness (SV ₃)	0.677
	Amway product returns policy (SV ₅)	0.539
II - 9.987	Home delivery by the distribution centre (SV ₆)	0.740
	Customer care to answer all queries regarding product ordering, renewal, product information, etc (SV ₇)	0.690
	First purchase offer (SV ₈)	0.651
III - 9.810	Incentives/Bonus (SV ₁₅)	0.761
	Retail profit margins (SV ₁₆)	0.743
	Commission on group sales (SV ₁₇)	0.611
IV - 9.684	Quality of the products (SV ₁)	0.763
	Price of the products (SV ₁₁)	0.612
	Commission on personal purchases (SV ₂)	0.507

V - 9.376	Individual attention of the team members (SV ₁₀)	0.763
	Training provided by Amway India (SV ₉)	0.746
VI - 9.154	Levels of recognition (SV ₁₂)	0.780
	Consumers' response (SV ₁₄)	0.637
VII - 7.238	Company offers wide variety of products (SV ₁₃)	0.854
Source: Primary data		

Seven factors were identified as being maximum percentage variance accounted. The 3 variables SV₄, SV₃ and SV₅ were grouped together as factor I and accounts 10.041 % of the total variance. The 3 variables SV₆, SV₇ and SV₈ constituted the factor II and accounts 9.987% of the total variance. The 3 variables SV₁₅, SV₁₆ and SV₁₇ constituted the factor III and accounts for 9.810% of the total variance. The 3 variables SV₁, SV₁₁ and SV₂ constitute the factor IV and accounts for 9.684 % of the total variance. The variables of SV₁₀ and SV₉, constituted the factor V and accounts for 9.376% of the total variance. The variables SV₁₂ and SV₁₄ constitute the factor VI and accounts for 9.154% of the total variance. The SV₁₃ constitute the factor VII and accounts for 7.238% of the total variance. Thus the factor analysis condensed and simplified the seventeen variables and grouped into seven factors explaining 65% of the variability of all the variables. They are company policy, purchase facilitators, income generation, product features, training provided by the company, recognition & consumers' response, products variety.

4.11 Relationship of the Responsible Factors to the Overall Satisfaction of the Respondents

The 'r' co-efficient should be applied with the purpose of find the association level about of responsible factors to the overall satisfaction of the respondents towards Amway business through the testing of hypothesis. The correlation level is

+0.2 to less than +0.6 = Moderate positive relationship and Vice-versa

+0.6 to +1.0 = Strong positive relationship and Vice-versa

Less than +0.2 = Low positive relationship and vice-versa

Ho: Company policy, purchase facilitators, income generation, product features, training provided by the company, recognition & consumers' response, products variety independently will have a negative effect to the overall satisfaction of respondents.

Table – 5: Relationship of the Responsible Factors to the Overall Satisfaction of Respondents towards Amway Business

Influencing Factors on Job Satisfaction		Association	Discussion
Company policy	Overall Satisfaction	-0.023	This factor have significantly not correlated with overall satisfaction of the ABOs @ 5% level (p>0.05)
Purchase facilitators		+0.164	This factor have significantly not correlated with overall satisfaction of the respondents @ 5% level (p>0.05)
Income generation		+.743**	This factor have significantly correlated with overall satisfaction of the respondents @ 1% level (p<0.01) but Strong level
Product features		+.209*	This factor have significantly correlated with overall satisfaction of the respondents @ 5% level (p<0.05) but moderate level
Training provided by the company		-0.109	This factor have significantly not correlated with overall satisfaction of the respondents @ 5% level (p>0.05)
Recognition & Consumers' response		+0.239*	This factor have significantly correlated with overall satisfaction of the respondents @ 5% level (p<0.05) but moderate level
Products variety		-0.276**	This factor have significantly correlated with overall satisfaction of the respondents @ 1% level (p<0.01) but moderate level (negative)

4.12 Regression Model for Responsible Factors to the overall satisfaction of Respondents

This part developing a model using multiple regression with the purpose of estimate the overall satisfaction of respondents based on certain important extracted factors. This analysis is made of Y- overall satisfaction, with the explanatory factors like X₁-company policy; X₂- purchase facilitators; X₃- income generation; X₄- product features; X₅- training provided by the company; X₆ – recognition & consumers' response; X₇ – products variety

The following regression model is fitted for performance:

$$Y = Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + b_7X_7 + e$$

where,

b₁, b₂,..... are partial regression coefficients; b₀-constant

Ho: Company policy, purchase facilitators, income generation, product features, training provided by the company, recognition & consumers' response, products variety independently will have a negative effect to the overall satisfaction of respondents.

Table – 6: Final Model for Responsible Factors on Satisfaction of Respondents				
Model	Unstandardized Coefficients		t	R²
	B	Std. Error		
(Constant)	2.700	0.069	38.942**	.768
Income generation	1.038	0.070	14.895**	
Products variety	-0.385	0.070	-5.531**	
Recognition & Consumers' response	0.333	0.070	4.782**	
Product features	0.292	0.070	4.197**	
Purchase facilitators	0.229	0.070	3.289**	
Training provided by the company	-0.152	0.070	-2.176*	
Dependent Variable: Overall satisfaction				
Source: Primary data; **Sig. @ 1% & *Sig. @ 5% level				

It is observed from the Table – 6 that significance of various responsible factors on satisfaction coefficients is tested by t-statistic. It is reported that the coefficients for income generation, products variety, recognition & consumers' response, product features, and purchase facilitators are significant @ 1% level. Further, the coefficient of training provided by the company is significant @ 5% level. It means all the factors except company policy are significantly related to the overall satisfaction of the respondents.

Table –7: Analysis of Variance for Regression				
Regression	148.293	6	24.716	51.414**
Residual	44.707	93	0.481	
Total	193	99		
Source: Primary data; **Sig. @ 1% & *Sig. @ 5% level				

Table – 7 gives that the significant value of 'f' in the analysis of variance of multiple regression model for Y indicates the overall significance of the model fitted. The coefficient of determination R² value shows that these variables put together explain the variations of Y to the extent of 76.8%. So, the null hypothesis is rejected. It can be reported that the responsible factors like income generation, products variety, product features, training provided by the company, recognition & consumers' response have high influence on the overall satisfaction of the respondents.

5. CONCLUSION OF THE STUDY

This study found that responsible factors on satisfaction of ABOs includes company policy, purchase facilitators, income generation, product features, training provided by the company, recognition & consumers' response, products variety. Among them, income generation has significantly and highly correlated with overall satisfaction of ABOs towards Amway business. Finally, all responsible factors except company policy are having most important factors on factors on satisfaction of ABOs in the Amway business. One-Way analysis of variance concluded that there is no significant difference on overall satisfaction towards Amway business among various groups gender, age group, marital status, education, area of residence, Amway business type, duration of business and incomes of the ABOs.

REFERENCES

1. Braulio, A., and Maria, C.S., (2009). "Direct Selling: Consumer Profile Clusters and Satisfaction", *European Retail Research*, 23(1), pp. 47-68
2. Dennis L.D., (2005). "Direct selling as the next channel", *Journal of Consumer Marketing*, 22(1), pp. 43 – 45
3. Eddie, R., (2010). "Channel share prediction in direct marketing retailing: The role of relative channel benefits", in Kenneth D. L., Ronald, K.K., (ed.), *Advances in Business and Management Forecasting*, Vol. 7, Emerald Group Publishing Limited, pp.111-120
4. Joyce Koe, H.N., and Soo Wai, Mun, M.S., (2011). "The influence of MLM companies and agent attributes on the willingness to undertake multilevel marketing as a career option among youth", *Journal of Research in Interactive Marketing*, 5(1), pp.50 – 70
5. Kustin, R. A., and Jones, R.A., (1995). "A study of direct selling perceptions in Australia", *International Marketing Review*, 12(6), pp. 60-67
6. Raj, S., (2012). " Network Marketing and Supply Chain Management: Here to Stay" *Management*, 2(2), pp. 31-39

7. Syamala, G., (2013). “Study of the Products of Lakme Company Ltd. With Reference to Pune City”, *International Journal of Research in Commerce & Management*, 4(2), pp. 150-154
8. Vanishree, M., and Shanthi, L., (2014). “A Study on Customer Satisfaction towards Amway Products with reference to Coimbatore City”, *Gyandheep: The Journal for Enriching Contemporary Management Thoughts*, 1(2), pp. 46-51
<http://files.shareholder.com/>
<http://manishmukerjee.com/>
<http://www.thehindubusinessline.com/>
[www.amway.in/?](http://www.amway.in/)
www.thehindubusinessline.com/
<http://www.business-standard.com/>