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From the Desk of Editor

I am happy to place before you the second issue of sixth volume of Ethos. Indeed it is a moment of pride that Ethos has completed its journey of six years. These six years we had full of mixed experiences. Around one hundred and twenty articles have published in Ethos and the scholars from India and few from abroad have contributed their scholarly articles.

Present volume carrying research articles on general management, quality management, entrepreneurship, marketing management and financial area of management.

Dr. Mohite P.V. and Phalke K.M. did different analysis of career and achievements of Chh. Shivaji. The paper is quite interesting to read which paves ways for further thinking on the magnitude to learn more from legendaries and their management and its applications to contemporary management. The largest agro based industry in this part of nation is sugar industry which contributes directly and otherwise especially to rural society. The sugar industry has uplifted the standard of living of rural people and facilitates education right from primary education to professional education to the society. Financial health is the barometer of any unit to look upon. Stakeholders has always keen eye on this foreground. Dr. Mahajan S.S. and Jadhav A.H. have made an attempt to measure financial health of selected cooperative sugar units. Mr. Sudhir Apte a senior management consultant, industrialist shell out much about leadership on different platforms, may it be news paper articles, sessions to executives and management studies and the like. On the request of Ethos team he has contributed an enriched conceptual paper on leadership.

The contemporary era respects quality. Dr. Borgave S A and Koranne S.P. have made an attempt to synthesis various dimensions of service quality in the review article.

Present volume envelops nine articles only. The added sections for case study, bibliography and book review was proposed but Ethos does not receive the quality papers in this category for this volume.

I hope that the articles contributed by research scholars and academicians would be immensely readable and beneficial to stakeholders. I look forward to your valuable feedback to enable us enthrall readers and ensure continuous improvement.

DR. B.S. SAWANT
Editor-in-Chief

Chhatrapati Shivaji and Modern Management Practices - A Different Analysis

Pratapsinh V. Mohite, Kedarnath M. Phalke

Abstract :

This research paper is based upon career and achievement of Chhatrapati Shivaji. This topic has been relates to Chhatrapati Shivaji's career, policies and strategies with the concept of modern management science practices. The proposed work makes a humble attempt to suggest that however in the modern world, even before the principles of management science were propounded by the scholars of management science in theory these principles were brought into practice by Shivaji. In order to establish conclusion following basics of the management sciences have been considered.

- a. Origin of the principles of the management science.
- b. SWOT analysis
- c. Corporate planning

After making a cursory study researchers have come to understand that the principles of management science were born on the battlefield. The SWOT analysis and the corporate planning though seemingly appear to be modern but actually these concepts were to be applied by great generals from ancient past since the days of Alexander the great. Chinese writer Sun Tzu written on the art of war and has given a long list of principles of war strategy. The tentacles of management science are taken in this paper are

1. SWOT analysis
2. Corporate planning

The SWOT analysis begins with strengths, weaknesses, opportunities and threats. Researchers have tried to explain these concepts with Shivaji's activities. Corporate planning is a double aged sword. It can be both short term planning and long term planning. Shivaji's long term planning and policies are beyond the pale of imagination which envisaged a Kingdom for natives. His long term planning can be divided in to three phases

1. 1670-1680
2. 1680-1689
3. 1689-1707

On the basis of the above mentioned principles researchers have tried to establish a correlation between Shivaji's career and the principles of modern management science.

Keywords : SWOT analysis, Corporate Planning, Feudalism, Ganimi Kawa, Maratha Navy, Vatan.

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This is researchers' maiden attempt to write a paper on analytical aspect of Shivaji and modern management practices. While studying the life of Shivaji researchers have realised that Shivaji had adopted many modern management practices. The researchers were surprised to see that though the principles of management science were initiated in 20th century, but Shivaji had practiced these principles in the 17th century. This induced to select this topic for further research.

In this paper the two basic concepts of modern management science viz. SWOT analysis and corporate planning were considered to show that even before the management practice came into existence, Shivaji had already practiced them while administering and managing his own Kingdom. Some Indian scholars such as Justice M.G. Ranade in his 'Rise of Maratha Power', Sir Jadhunath Sarkar in his 'Shivaji and his Times', Dr. Surendranath Sen in his 'Administrative system of the Marathas', 'Military System of the Marathas' and 'Foreign Biographies of Shivaji, Setumadhavrao Pagadi, a Persian scholar and many more have analyses Shivaji's administration through these principles without naming them. Here researchers have attempted two basic concepts of management science to show that these practices actually brought into effect by Shivaji.

Origin of the Management Science Principles :

While studying the various instances in the career of Shivaji, obviously researchers find certain principles that are applicable today. In the modern age the principles of management sciences are considered as belonging to modern age to modern industrial life. But if we look into the past when there was no industry, no modern concepts allied with the business academy. So in the past however these principles were applied they were not termed as the principles of modern management science. There was the absence of the modern concepts of science hence the origin of principles of management science cannot be ascribed to only the any kind of industry and people practicing them were unaware of these principles. It has been emphasised here that these managerial principles had their origin on the battlefields. Eminent

strategist James Dunning and Daniel Masterson in their book, 'The Way of the Warrior' have suggested that the principles of management born on the battle fields, they quote, The great captains were not businessmen, they did have to worry about managing. Great military commanders have after all managers most of the time victory in battle is 90 percent preparation and 10 percent taking care of unanticipated emergencies. How did the great captain do this ? The research indicates they did it using ancient and still viable management techniques (Dunning J and Masterson D, 1997).

Research Methodology :

The research methodology of the proposed research paper comprises the case study method for collecting the primary data from available Persian, Modi, Portuguese and English Documents. Primary data have been collected with the help of selected contemporary documents, personal visit to selected forts and observation. Secondary data have been collected from various sources, such as books on Shivaji and historical journals.

Data Collection :

The methods of data collection are study of original contemporary documents and personal visit to historical places for primary data and secondary data are collected through library study.

a. Primary data :

The major tools for collecting data are original contemporary documents to elicit the requisite information and data collected from historical places. For collecting data from forts, researchers visited forts of Raigad, Rajgad and Jinji. Researchers also paid their visits to Mumbai Achieves and Bharat Itihas Sanshodhak Mandal, Pune for the purpose study of contemporary documents. The data so collected is subjected to appropriate originality.

b. Secondary data :

Secondary data have been collected from various bhakhars (Chronicle) books on life and career of Chhatrapati Shivaji, historical journals and monthly magazines. Bharat Itihas Sansodhak

Mandal, Pune's quarterly, news papers, magazines of the history etc are also used for collecting the secondary data.

SWOT Analysis and Corporate Planning :

Let us explain SWOT analysis and corporate planning one by one. SWOT analysis is abbreviation of strengths, weaknesses, opportunity and threats. It is

divided into two parts such as internal environment analysis and external environment analysis. First two parts strengths and weaknesses are included in internal environment analysis and remaining two parts opportunities and threats are included in external environment analysis. This can be explained with the help of following chart-

SWOT Analysis

External

		Opportunities	Threats
<i>Internal</i>	Strengths	How do you leverage your strengths to benefit from opportunities ?	How do you use your strengths to minimize the impact of threats?
	Weaknesses	How do you ensure your weakness will not stop you from opportunities ?	How will you fix weakness that can make threats have a real impact ?

Corporate planning is normally a long range planning covering 5 to 10 years. Such planning is either for the entire company or a part of the organisation. It is the planning undertaken by the top management at the organizational level. This planning shows skill of the top management. In this planning strategies are made to create image after forecasting the future.

Following are features of corporate planning -

- a) This planning shows philosophy and skill of top management.
- b) In this type of planning both, short term and long term planning are made.
- c) It helps to the structure of the organisation to match with the business environment.
- d) In this type of planning, strategies are made to create image of the organisation.
- e) Corporate planning is three tier process, strategic planning, tactical planning and operational planning.

Generally strategic planning means planning strategy to counter the fast changing business environment like a military plan against enemy. Strategic planning is a process of deciding on objectives of the organisation, on changes in these objectives, on the resources used to attain these objectives and on the policies governing the strategic decisions. Strategic planning aims to determine, how organisation can achieve its desired ends in the light of various internal and external pressures. It provides strength to the organisation for facing the changing situation. It drafts complete picture and structure of activities for the organisation, e.g. what will be the position of company after 10 years? What will be the business of the organisation after 10 years?

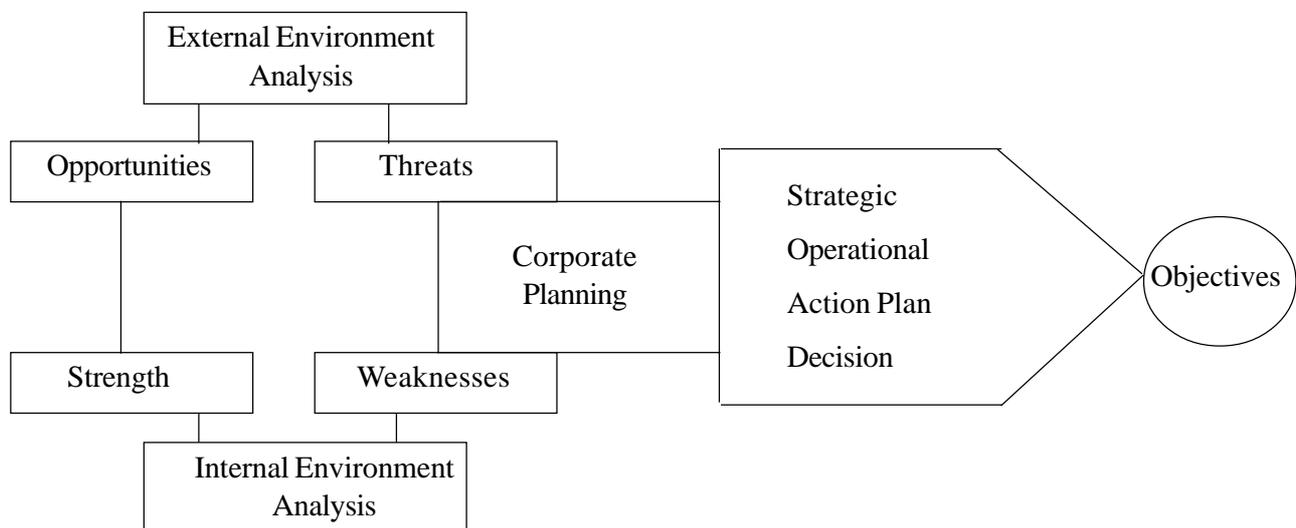
After strategic planning made by top level management, to implement this, tactical planning and operational planning is necessary. It is normally prepared by the middle level and lower level managers and officers working under them. Under this type of planning, physical and human resources are

effectively utilized for doing the performance. These plans are more specific. Normally it covers a period of one to five years. They determine how specifically a job is to be completed in the best possible way.

SWOT analysis and corporate planning in Shivaji's career :

Shivaji being a general and statesman of a high degree decided to wage war against Mughal in 1670. The period from 1665 that is from the treaty of Purandar till he is offensive against the Mughals a period of comparative lull in his career. This period can be imagined to be the mastermind of a great statesman. Within these five years he increased his strength and analysed probable dangers from the Mughals. From the stand point of SWOT analysis this period is important. The treaty of Purandar in

1665 was an external danger to Shivaji's kingdom. The treaty abraded 23 forts and a territory yielding four lakhs of Hons from Shivaji. This was Shivaji's weakened position. So in order to increase his strength he proposed to visit the Emperor in his Capital. Shivaji had certain objectives while going to the north communicate with the Rajput and if possible in further a formidable opposition to be created against the Emperor. But in his personal meeting on 12th May 1666 with Emperor Shivaji's plan failed. Since then his captivity started which ended on 20th November 1666 on reaching Rajgad (Setumadhavrao 2004). From 1666 to 4th February 1670 is the real period of SWOT analysis. In this period of three and half years he took the following measures. It can be explained with following diagram-



Commentary :

Strength :

Maharashtra is a hilly region. It consists of vertically and horizontally hilly tracks. Balaghat hilly tracks expanding from Maval (Pune) to Kolhapur. The Balaghat has a no of hill forts. There are 162 passes or Ghats. This terrain makes the geographical condition favourable to the native Raja. In this case the Raja's military activities in the beginning were confined to 24 mavals on both sides of the Pune. This hilly region was hilly of forts and fortresses (gadhi). The maval region was inaccessible and unconquerable to an invading army. History has time and again showed that the forts were impregnable.

In addition to the forts another point to Shivaji's strength was his subject. The subject was the mavles and common people. In physical nature they were small statured with almost half necked. Yet these half necked Mavles had very strong mind indomitable courage, great tenacity of purpose with loyalty to Raja. They thoroughly new the geographical condition of the region. Upcoming Shivaji's sovereign being of it had known much cavalry and infantry. Shivaji turned these weaknesses in to strength by adopting Ganimi Kawa (Guerilla Warfare). His strength was his Navy. Surendranath Sen says Shivaji's naval efforts were both earnest and continuous, and his opinion the most valuable means of protecting and expanding his kingdom (Sen, 1958).

Weaknesses :

Shivaji had discernable weaknesses. These weaknesses were low strength of cavalry and infantry. Since the beginning of his kingdom moment his enemies were Adilshahi, Qutbshahi, and the Mughals. The Qutbshahi had on very few occasions quarreled with Shivaji. But with Adilshahi and Mughals on many occasions Shivaji had to fight against heavy odds. That is treaty of Purandar in 1665. Other points of weaknesses were his negligible Artillery and low revenue. The term revenue consists of two major aspects of which land revenue, and income from other sources such as taxation system. The land in Maharashtra is never fertile as compared to the land in the north. The fertility of the land is based on rainfall and rivers. The rainfall was very scanty and the rivers had no dams or embankment. After rainy season there was great shortage of water. There were hardly any bumper crops. Under these conditions the land revenue were collected by the Raja since the ancient past was never 1/6th of the produce.

Opportunity :

Shivaji had created an opportunity to carve out a dream to bring the Dakhani people regardless of cast, creed and religion together to form a formidable opposition to the Mughals. In order to bring this dream into reality he made friendly treaties with Qutbshahi in 1677 and with Adilshahi in 1679. Further Shivaji made treaty with his half brother Venkoji. A treaty by which a major portion of his patrimony was given to Venkoji, also a small territory was given to Deepabai, Venkoji's wife in gratitude of her wisdom and senility. This relation perfectly shows that Shivaji wanted to create Sothern India his friend. This was another way of opportunity not only for himself but for the posterity.

Threats :

After having considered the strength and weaknesses we turn towards the threats. In the 17th century whole country was reeling under the foreign domination. The Mughals since the arrival of Aurangzeb on throne in 1658 had started harassing the Hindus in many ways. In Maharashtra the Muslim

rule had tyrannized their subject. A general loot of women and material was beyond description. Many temples and monasteries were either sacked or polluted by the ruling classes. The killing of sacred animals of the Hindus was an order of the day. The contemporary Marathi literature gives evidence of this situation. It was threat to the country, the people, the treasury, the women and scared places. Shivaji wanted to give a sense of security and assurance to the people.

Internal Environment Analysis :

While analyzing the internal environment we have to consider the following points-

- a. Shifting of Capital
- b. Increase in revenue
- c. Bid to end feudalism
- d. Increase in number of forts

Shifting of Capital :

Shivaji's first Capital was Rajgad. In the initial phases it was sufficiently good but from the military point of view Rajgad was weak. The fort was built though on a rock. It was proved unsafe. In 1665 when Jay Singh attacked on Shivaji's territory he had sent a troop under Daud Khan, Rai Singh and Sharza Khan to Rajgad which he attacked on 30th Apr 1665 (Sarkar J.N.,2010). This demonstrated that Rajgad as a Capital was vulnerable. He positively thought of shifting Capital. In his minute search for new Capital place he selected Raigad. Raigad was very difficult to ascend. Henry Oxenden the British envoy at the time of coronation in 1674 observes this "The most completely impregnable place in the universe (A voyage to the East Indies)". Also from strategically point Raigad has a different aspect which is a Capital should be situated on a plain surface of a big hill for administrative purposes. There should be sufficient places for creating Kings Residence, the creation of big Audience hall etc. There should be administrative offices near to the Kings residence and the court hall for a general public. There should be sufficient place for inhabitation. The entire scenario demonstrates that it is perfect place to be

the Capital. Another military important strategically point was that it was closer to the sea it means in case of eventuality one could sleep through the sea.

Increase in Revenue :

Shivaji wanted to increase his revenue to prepare for the fight against the Mughals. Another stumbling block in his way to increase revenue was the hereditary officers specially the Deshmukhs and Patils. Going through the Marathi documents it is revealed that to the vatan system there was a sentimental attachment. He tried to circumscribe the rights and perquisites of the vatandars. From the treaty of Purandar on 12th and 13th June 1665 it is evident that Shivaji's annual revenue was five lack hon(roughly 1 hon = 5 Rupees). His revenue is put by his courtier Sabhasad at the round figure of one crore of hon, while the chouth and Sardeshmukhi when collected in full brought in another 80 lacks. It shows that Shivaji's theoretical income at its highest was seven crore of rupees (Sarkar J.N., 2010).

Bid to end Feudalism :

Feudalism is both military and civil administrative posts. The feudal lords have given a particular territory for maintaining peace and order in the region. They were allowed to collect revenue from the Ryots. To keep a certain amount of revenue for the upkeep of the military establishment for the feudal lords and stipulated amount was to be remitted in the central treasury. In the beginning system worked well but as the King became imbecile the feudal lords started working like petty King. This practice led to corruption and this situation was in the vogue when Shivaji came to power. Shivaji being himself a son of feudal lords was in the know of the demerits of feudal system. He tried to put an end the feudal system and created relationship between King and the Rayats. He also started the Rayatwari system.

Increase in Number of Forts :

The treaty of Purandar virtually striped Shivaji of his kingdom. He had to give a territory yielding four lakhs of hons to the Mughals and the territory yielding one lakhs of hons remain with him. Also 23 important forts were handed over to the Mughals and only 17 forts remain with him(Sarkar J.N., 2010). From

1666 till 4th February 1670 i.e. up to Tanaji Malusare capturing of Sinhgad a period of 3¼ years was a period of silence. For 3¼ years Shivaji was silent. He was preparing for the offensive against the Mughals. From 1670-1678 he captured 241 forts from Salher to Jinji plus 19 forts he was already holding. During this period he captured the fort of Jinji in Madras province. Thus he created long line of defense from Raigad to Jinji. This historical event first recorded by Justice M.G. Ranade. He stated "As if he had a prescience of coming events, Shivaji, by his conquest and alliances, formed a new line of defense in Southern India in the Kaveri valley, to which he could retire in case of necessity (Ranade M.G., 1966).

External Environment Analysis :

In studying Shivaji's principles of management science are seen both in internal environment as well as external environment. In external environment analysis we have to take into consideration two points-

- a. Increase in number of cavalry and infantry
- b. Founding of Maratha Navy

Increase in Number of Cavalry and Infantry :

Since 1670 Shivaji face Mughal army not only in Maharashtra but outside also. In 3-5 October 1670 2nd sack of Surat Shows that the increased cavalry. It also shows that he was the offensive. Prof. T.S. Shejawalkar in his work has pointed out that Shivaji was successful because he adopted the Mughal tactics. Its meaning is that by increasing number of cavalry he went beyond the Narmada and new lesson to be followed by his daughter in law Tarabai in the opening years in 18th century (Brij Kishor). According to Sabhasad the cavalry was 45000 paga and 60000 Shiledars and infantry was near about 200000 (Sarkar J.N., 2010).

Founding of Maratha Navy :

Shivaji has been honored by J.N. Sarkar as "The first ever Hindu King to found an independent navy". He endeavors to found an independent navy for his state was initiated in 1657-58. On seeing the nature the Maratha Galbats and Gullevats the English factor at Rajapur had denounced it that it was a third rated

navy¹. But because of Shivaji's day-night efforts he created such a sound navy. That in 1679 in the battle of Hendry-Kendry the English factor of Mumbai had to praise the Maratha navy. Captain Kegwin wrote a letter to Surat factor on 1st Nov 1679 that "But these little creeping boates deceive us to admiration, when we have nimble boates of the like nature wee hope they shall not escape us soe². He also wrote a letter to Surat factor on 3rd Nov 1679 that "Their Galbets are very nimble and our boates very foule"³

Corporate Planning :

Modern management science is double aged sword. On the one side there is the SWOT analysis and the other side there is corporate planning. Up to now we have seen SWOT analysis. The description up to now will provide a half way house on the ultimate road to corporate planning. SWOT analysis is the one side of the coin and the corporate planning is the other. The SWOT analysis will not make Shivaji's character fully clear unless we study Shivaji's character through the principles of corporate planning. This type of planning is the long term planning. In this sub topic we have to show how Shivaji applied the long term planning in his career. This planning is seen through strategic planning, operational planning or action plan and decision making.

The long term planning of Shivaji's career is divided in to III phases

I phase- 4th February 1670-3rd April 1680

II phase- 25th May 1680-11th March 1689

III phase-12th March 1689-20th February 1707

Strategy :

In the first phase Shivaji extended the frontier of his kingdom up to Jinji. He must have been fully aware that after his death there would be some disorder in his own kingdom as well as the Emperor would invade the kingdom and in that event if the line of defense is extended up to Jinji in Madras province⁴. His ideas were fully brought in to practice when the Maratha

struggle for independence started and ended with Emperors death in 20th Feb 1707. This type of foresight could be shown by a great industrialist or a military general or a statesman of international reputation.

Operational/Action plan :

After Shivaji's death Shambhaji ruled for only nine years. His tragic death on 11th March 1689 was a signal for tooth and nail fight for the Marathas. From 1689 to 1707 the Maratha has to face horrible challenges from Mughal. During this 18 years Toynbee's theory of 'challenge and response is fully applicable. During these 18 years when the Capital Raigad falls in Mughals hand on 3rd November 1689 Maratha shifted their Capital to Rajmachi then to Jinji then again to Satara. This vast area is very important from the operational part of the struggle. On 2nd March 1700 Chhatrapati Rajaram died and the reins of the state fall in the hands of Tarabai. She used Mughal tactics of warfare as against the ideas of the Emperor. The Maratha fought valiantly and defeated the Emperors plan with the end of Emperor. It was also a glorious end of Shivaji's corporate planning.

Objectives :

From the study of Shivaji's career and the problems that he faced we can say that the ideals or the objects of his activities were to create a power in Delhi. Justice M.G. Ranade also holds the view that Shivaji did not create a new state. It had come to him as a patrimony. But his greatness lies in the fact that he inspired the rugged Mavales to rise to the occasion. He gave them the vision of an independent state (Ranade M.G., 1966).

Conclusion :

In this short paper researchers have made an attempt to study Shivaji's career in the light of modern day principles of management science. In both the SWOT analysis and corporate planning researchers have

¹ English records on Shivaji : Volume I, Essay No. 96, pp 91-93

² English records on Shivaji : Volume II, Essay No. 424, pp 240

³ English records on Shivaji : Volume II, Essay No. 429, pp 243-244

⁴ Ranade : Logcit, pp 77, Sen S.N. : Logcit, pp 19

tried to justify their objective of show to what extent Shivaji was far ahead at his own times without actually knowing the principles of modern management science he applied them in practice and created a kingdom for the Marathas. In scientific term the long term planning this kingdom was transformed in the form of Maratha Empire under the leadership of Peshwas. The creation of Maratha Empire is the crowning glory of Shivaji's long term planning.

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Voyage to the East Indies. Volume-I

Leadership : A Review

Sudhir Apte

Abstract :

There is a lot of interest in the topic of leadership among academicians. 1600 books are published on this subject. When we study leadership qualities of great leaders like Mahatma Gandhi and Nelson Mandela we don't aspire to be them but we try to find secret of their leadership qualities and try to adapt them to our situations. Both these leaders valued teamwork and practiced it in their lives. Different leadership styles like Participative, Delegative, Autocratic, Transactional and Transformational are discussed in the second part. The last part discusses various qualities which make a person a great leader. They are vision, integrity, dedication, magnanimity, creativity, fairness and sense of humour.

Keywords: Leadership.

The subject of the art of leadership has drawn immense interest from the academic community, well known consultants and the industry. This discussion is mostly centred around industrial leadership. For some reason, political leadership has not attracted similar attention from thinkers although political biographies may make up for this lacuna.

Well, how big is the topic of leadership? It is an astonishingly well researched topic. At the last count 1600 books are written on the concept of leadership. Nitin Nohria, dean of Harvard School of Business who is recognized as an authority on this subject has written 16 books on leadership.

For this article, the discussion on leadership will be divided in 3 parts. In the first part we shall talk about some great contemporary political and business leaders and shall try to understand what made them the great leaders they are acknowledged to be. In the second part, we shall discuss various types of leaderships. The third part will be devoted to the discussion of qualities which create great leaders.

Many business leaders when asked to name the leader they admire most, unhesitatingly name

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Mahatma Gandhi as the leader they respect most. But it is not only the business leaders but others who are great leaders themselves namely Dr Martin Luther King, Nelson Mandela, Dalai Lama, Aung San Suu Kyi and President Barack Obama, incidentally all Nobel Laureates, are unanimous in their praise of Mahatma Gandhi as a visionary, compassionate leader. Which qualities of Gandhiji stand out or make him a great leader? It may sound surprising but probably Gandhiji valued importance of team work above all. In this respect he was ahead of his times. Although he was religious person, he valued and was committed to Hindu Muslim unity. But Gandhi was aware that British were trying to govern India by divide and rule policy. He carried both the communities along with him to challenge the British rule. Two of his other outstanding leadership qualities were compassion and effective communication. He empathised with poor and downtrodden, tried to remove untouchability and lived a simple life himself. During his time, means of all sorts of communication were very poor. In spite of these limitations he could convey his message to crores all across the country. Gandhiji was not a great orator but he could touch the hearts of the masses with his thoughts and his principles of truth and non violence. Albert Einstein has very succinctly surmised Gandhiji's leadership qualities. He said "Gandhi is a leader of his people

unsupported by an outside authority and a victorious fighter who always scorned the use of force, a man of wisdom and humility who has confronted the brutality of Europe with the dignity of the simple human being and at all times risen superior."

All of us know that none of us is going to be or even aspire to be as tall a leader as Gandhiji but we can try to emulate many of his traits in our small way to become effective leaders. Nelson Mandela is another leader who is respected and loved by one and all. He was at crossroads when he was released from the prison by the apartheid regime. He could have adopted a policy of revenge against the whites which might have led to ruin of South Africa or he could have joined hands with them to make South Africa a peaceful and prosperous country. Quite magnanimously and wisely he chose the second path. Obviously he knew how important team work is for an effective leader. The unmistakable influence of leadership in a nation's history becomes even more conspicuous when we look at the disastrous consequences of bad leadership. Pakistan president Yahya Khan's refusal to accept Bengali leader Mujibur Rehman's legitimate election victory and to share power with him led to partition of Pakistan, a huge price to pay for a short sighted leader and his self defeating policies. The root cause of almost civil war like situation in Sri Lanka for years together was a consequence of unenlightened Lankan leadership's decision to treat Tamils as second class citizens. The country paid very heavy price for this divisive leadership of Sri Lanka.

Although the teamwork is the key concept in effective leadership, there are different types of leaderships which can bring about the desired results. There can be different styles of leaderships suitable for different industries, companies or situations. A few of them are discussed below.

Participative Leadership : This style is also described as democratic leadership. This type of leadership encourages group members to share ideas and opinions but the leader retains the final say. In this process creativity is encouraged and the members of the group feel more engaged in the

process. This type of leadership works when the group members are intelligent, knowledgeable and capable of contributing to the decision making process.

Delegative Leadership : This kind of leadership gives complete freedom to followers to make decisions. There is minimal interference from the leader but he provides the tools and resources. But there are obvious limitations inherent in this type of leadership. This style will be effective only when the group members are highly skilled, motivated and capable of working on their own. Researchers have found that this is a leadership style which generally leads to lowest productivity among group members. But being capable of delegating responsibilities is a sign of a good leader.

Autocratic Leadership : This is exactly opposite of participative and declarative leadership. As the name suggests its style is dictatorial. It may be suitable in some cases like in a company with a very small number of employees or in military. But in the long run autocratic leaders become arrogant and megalomaniacs and they can land the company or the country in serious trouble. In the short run autocratic leaders can bring about spectacular results but in the long run their record is dismal. Hitler, Stalin, Idi Amin are glaring examples of autocratic leaders who caused immense harm to the countries they ruled.

Leaders can also be distinguished as transactional leaders and transformational leaders. **Transactional leaders** believe in give and take or reward and punishment method of leadership. They look at leadership as a process of transaction. This approach is still popular at manager level leadership. But true leaders need to look beyond only transactional relationship with their group members. This gives rise to the next level of leadership which is known as **transformational**. Such leaders inspire their group members with vision and passion. They inject the team with enthusiasm and energy. Transformational leaders are also action oriented. They are always visible and will stand up for their convictions. They make continuous efforts to motivate and rally their followers. But transformational leader should not go overboard in his passion and vision. Both must be

achievable and realistic. They should be prepared to change their goalposts if the situation so demands. Tendulkar could not become a great captain because he expected from his teammates a performance comparable to his own. But this was an unrealistic expectation and could not produce the desired results.

Values and Qualities which make a great leader :

There are certain values and qualities which, if imbibed by the future leaders, are bound to make their performance consistent and spectacular at the same time, over a period of time. Some of them are discussed below.

Vision : These days all companies have their vision and mission statements but for an effective leader just the statement of vision is not sufficient. He must be seen to be passionate about his vision and he should be able to communicate the vision to his group and vision has to be followed by action. A vision without action is like daydreaming while action without vision is a nightmare. Jack Welch has put it in a nutshell. He says " good business leaders create a vision, articulate the vision, passionately own the vision and relentlessly drive it to completion "

Integrity : Integrity is something more than just honesty. A person of integrity is the same on the outside and on the inside. Such a person is trustworthy and his reactions are predictable. He does not throw tantrums. These traits make him easily approachable to his team members. Late JRD Tata was well known for his integrity.

Dedication : It means devoting time and energy to accomplish the task. A leader must be seen as hardworking and committed to his task by his team members if he expects them to be totally involved in the mission. Laid back attitude on the part of the leader will be counterproductive. In the license permit raj environment, where competition was nonexistent many leaders became victims of laid back leadership which led to ruin of their companies when the rules of the game were changed.

Magnanimity : It means giving credit where it is due or take the blame and share the fame. A leader should not hog the limelight for the achievements of

his team and criticize them for failure. If for some reason his team along with him has failed to achieve the objective he should first look inwards and look for his own mistakes if any. If the team members are solely responsible for the failure, he should point out their mistakes firmly but without hurting their morale. A Cricket captain's interview after the match is a good example of magnanimity. If his interview is after a win, he says the win was on account of the team efforts and all players contributed to the success of the team. After a loss he says all of us tried our best but the opposition played better. I wish our batsmen had avoided some rash strokes, so a mild rebuke to do better the next time but no so harsh as to be demoralizing.

Creativity : Innovation is what all good leaders are talking about. Your company cannot survive without innovation either in products or processes. Creativity is the ability to think differently or to look "outside the box " for solutions. A leader can be creative himself or be seen to be responsive to new ideas. He should encourage systematic creation of new ideas by arranging brainstorming sessions. Discouraging new ideas or questions by calling them dumb would stifle originality in the organization.

Fairness : If you are looked at as a fair leader half the battle would be won. When the team members see that the leader is not playing favourites or playing politics he will get wholehearted cooperation from his followers. They don't mind getting admonished if they have erred themselves but not for somebody else's fault. When people realize that they are being treated fairly they reward the leader with loyalty and dedication.

Sense of Humour : A leader should not be too serious and feared all the time. He should command respect but not fear. Displaying sense of humour at the right time and occasion will lighten the tension in the air and people will find the leader more approachable. Humour makes discussions more lively and informal. Indian CEOs have to learn this aspect of leadership. They are somewhat distant and standoffish in their behavior with subordinates. Its time they learnt to loosen up a bit.

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Impact of Management Education to Seek Entrepreneurship as a Career

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Abstract

India is one of the world's largest growing economy; it is also beset with problems of high population, unemployment and poverty. Consequently, entrepreneurship or self-employment seems to be an ideal prescription for India's future growth and prosperity. Now a day's entrepreneurship education has grown from a marginal academic discipline in many business schools. Entrepreneurship development has attracted the attention of academicians, policy makers, technologists and economists and the role of education in fostering entrepreneurship has been widely studied. Students are seeking entrepreneurship as a career. Therefore paper examines the reasons to seek entrepreneurship as a career, to measure the impact of management education to seek entrepreneurship career. A hypothesis put to test is, management education does not have any impact on management students to seek entrepreneurship as a career option. Schedule is used to collect the data from 243 students of 2 year full time MBA course run by management institutes which are affiliated to Shivaji University, Kolhapur. Hypotheses results show Chi Square value is 225 at 7 degrees of freedom with 'P' value is 0.000, hence, null hypothesis is rejected in favour of alternative hypotheses that management education have an impact on management student pursuant to seek entrepreneurship as career option. There found an association in between the opinions of sample students towards future career option at the time of entering into MBA and at the time of completion of MBA. This reveals that after studying the entire course of management, the opinions of sample students have not changed as far as future career selection in concerned. It is also found significant correlation between opinion during 1st semester and IVth regarding perception of upgradation of given entrepreneurial skills. Also significant association in the immediate career plan decided by sample students at the time taking admission and at the time of completion of MBA course.

Keywords : Entrepreneurship, Management Education, MBA Course, Entrepreneurial Skill

Introduction :

'Entrepreneur' term is defined by McClelland(1961), 'Entrepreneur is one who likes to reasonable risk and who has high degree of need for achievement motivation'. Likewise other professional career entrepreneurship can be a career.

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It is observed that entrepreneurship education has grown-up from a marginal academic discipline in many business schools. Students are seeking entrepreneurship as a career. Entrepreneurship development has attracted the attention of students and need to examine the impact of management education in seeking the career of entrepreneurship. Generally management course (MBA) is sought as entrepreneurship career by the students. There is need to measure impact of management education on students during semester Ist and IVth , to measure the impact of management education on the perception of the students and upgradation of entrepreneurial skills.

Literature Review :

'(George, 2004) Research highlights the perspectives of practitioners on entrepreneurship education to improve its content and delivery to meet the needs of our current students. One should more focus to pretend himself/herself as a businessman. Pretend that he/she is actually in businessman and entrepreneur. Do not start with the curriculum, start with the organization. Need is to have some of the skills like courage to try and then the ability to learn on the fly. The biggest obstacle in education is that an awful lot of people go into it thinking they don't have the right to aspire to being something more than what they've been told to be.'. 'It is found that while length of formal education reduced the propensity to start business, possibly because of the high propensity to start new business. (Philip H. Phan, 2002)'.

Educational system rewards 'remembering' as opposed to 'learning' with limited scope for creativity (Bharat, 2007). Engineering Schools focus on imparting fantastic technical skills while business schools focus on pure management techniques. This ensures a strong ability to replicate ideas and reverse engineering and reinforces our dependence on a cost based competitive advantage. Schools in the west have a greater focus on leadership and entrepreneurship. Our educational system needs to be able to create more leaders and entrepreneurs. The focus of entrepreneurship needs to move to innovation, including process innovation, product innovation, management innovation, and business model innovation to win in the global market.'

Innovation and Entrepreneurship training require the students to have a high level of initiative. During this training they have to mobilize wide range of knowledge and resources. Comparison between projects, debates, and critical discussions enable the students to assess their own strengths and weaknesses. The engineer's functions are more diversified students can be trained in entrepreneurship and innovation, it has a cost, requires material means, sound educational

methods, and available qualified professors with many contacts in the professional and entrepreneurial worlds. (Philippe, 2009)'. 'Students expect supports for Consulting with focus on support and finance as well as coaching in the pre-seed period of the start-up. Also in establishing customer and supplier contacts and business angel contact and seminars on law, business administration Leadership, moderation strategy. (Norbert, 2009)'. 'Institute conducting EDPs do not have much concern for proper identification and selection of entrepreneurs (Muralikrishna, 2010). Author thinks that entrepreneurship degree programme should be differentiated from MBA program (Vesper Karl H., 1988). Suggest that it should consist most of the following elements :

1. Coverage of "core" functional area topics marketing, finance, accounting, etc., but from the vantage point of start-ups and with no emphasis upon sophisticated techniques for their own sake. The emphasis would be upon basics which serve entrepreneurs, not academic elegance.
2. Knowledge pertaining in particular to entrepreneurship would be included. This would cover topics customarily touched upon in many current entrepreneurship courses, such as the nature of entrepreneurship, teaming, protecting ideas, legal formation of enterprises, tax angles of start-up, sources of capital for entrepreneurs, dealing as an individual with banks, social, psychological, historical and economic aspects of entrepreneurship, and so forth.
3. Skill practice in persuasive communication in writing, oral presentation and one on one negotiation. These skills are valued greatly by graduates of MBA program, but for some reasons are rarely emphasized in MBA program. In a masters of entrepreneurship program they would likely be more heavily emphasized.
4. Creative thinking and synthesis would be more emphasized in relation to exercise in analysis. This would contrast starkly with MBA

program where analysis currently is predominant.

5. Authentic involvement in real time ongoing entrepreneurship would be a required part of the curriculum. Numerous and varied experiences in contributing to advancement of ventures, including those conceived by the student and also those of others would be included. Students would practice projecting new technological developments, strategically planning, assisting in attracting necessary resources and arranging for joint ventures.
6. Each student would create during the program venture plans, not just one or two as typically students do now in entrepreneurship courses, but perhaps dozens, some wholly and others partially. These would combine into a portfolio of original creations analogous to the portfolios created by students in other schools such as art, architecture and industrial design. Assignments in which these plans were developed would be more refined than the "just do a plan" approach now used in entrepreneurship courses. They would be better designed to cultivate and refine knowledge and skill subroutines in the students' minds most useful in responding to future business opportunities.
7. Practice in identification of opportunities would be stimulated around frontier technologies and path-breaking ideas. Provisions in the program to cultivate a flow of potential opportunities could include a community clinic for selected enterprises, university spinoff assistance, conduct of focus groups on new product ideas, commentaries by economic experts on trends likely to produce business opportunities in specific markets or technologies, presentations by inventors and academics from science and engineering who think they have commercializable know-how or who would like to explore whether they might develop such know-how, networking for joint ventures with foreign manufacturers seeking distribution and mentoring relationships with successful entrepreneurs who find more ideas coming to them than they can personally handle.
8. Exposure to role models of entrepreneurship would likely be a most important element of the program, though not necessarily occupying a large part of the curriculum. Role Models in the form of successful entrepreneurs would be selected not so much for being spectacular successes as for being people with whom students could identify. They would include females as well as males, but primarily would be younger and would be people who had founded ventures close in time to their school experience. They would not have unusually abundant resources or special technical advantages. Some exposure to entrepreneurs who had experienced venture failures would also be included. Some differences between students entering and students leaving the program would include :
 - (1) Greater knowledge about entrepreneurship and how it works, including the wide arrays of different ways it works,
 - (2) Knowledge of business basics, but without the elegant academic refinements entrepreneurs don't find helpful,
 - (3) Greater ability and tendency to spot new business opportunities before others do, including
 - (4) greater ability and tendency to respond to business opportunities with virtuosity (e.g. "I can tell you five ways right off the bat for creating a venture out of that, or ten ways if you prefer"),
 - (5) Vision that reaches more extensively in both detail and future time in designing potential ventures (e.g. "I Can tell you all, or nearly all, of the steps for creating a venture like that as well as what results to expect and what to do if they don't materialize as expected"),
 - (6) Higher capability to make the most that can be made of an opportunity, rather than just the minimum needed to profit, and

(7) Enhanced capability to stimulate other people to share those future visions.'

Scholar strongly feels that there is need to change everyone's basic attitude towards entrepreneurship (Magnus, 2004). It doesn't make sense educating people to start businesses, if they are not going to be respected for it. Apprenticeship enables to build a cadre of people that will be immune to culture. They will have an environment of their own where they would get recognition from each other and they would not care about the rest of the culture. This entrepreneurial culture could then trickle out and influence the general culture to become more entrepreneur-friendly. So one can offer recognition and reward to increase the talent pool of potential entrepreneurs. Author also discussed the role for researchers and scholars in promoting entrepreneurship could find out that there is little or no role. Many governments around the world are looking into ways of getting more people to become entrepreneurs and starting their own companies, and education is one of the solutions used. Entrepreneurs' think it is a particularly good idea to have people do something that they are not well suited for. It is just a way of creating grief. Also believes that most of people are not well suited to be entrepreneurs. It is very difficult to train someone to deal with constant terror and train someone to learn the steps to do this. The entrepreneur needs to be able to handle risk, terror, and fear whatever routine they go through to deal with this terror to make the entrepreneur successful. Apprentice follows an entrepreneur for 2-3 years and after 6 months many would be breathless, find that it is too hard, and drop out. Some will say, "I can do better than this," and carve out their niche. Skills do an entrepreneur need to have three skills i.e. entrepreneur needs to know and master: selling, managing people, and creating a new product or service and entrepreneurs feel that none of them are taught in the business school. According to them entrepreneurship can be learned or not! The yes, because it is possible to learn by being an apprentice. The no is because it can be

learned in the classroom. Also strongly feels that no one should teach in entrepreneurship if they have not done it themselves, that is, they have started and run their own company.'

'(Shepherd, 2004) want to test the beliefs that achievement as well as failure helps the students to learn from. It was found that Failure is an important source of learning for entrepreneurs. Active participation in simulation provides students the opportunity to unconsciously process all types or information including emotions, strategies and feelings, specifically by being actively involved in a failure. Students likely unconsciously process information about the negative emotions, they feel strategies to try and recover from this position. If education on the emotions of failure does increase anxiety and decrease entrepreneurial intentions, educators still have an obligation towards their students to include this content into the entrepreneurship course. A pedagogy that more broadly addressed emotion and the management of emotions would likely be valuable to students who will later be engaged in entrepreneurial tasks'.

Some advance courses provide introduction of entrepreneurship and opportunities in entrepreneurial activities and provide an environment in which students can experience the actual decision making and activities associated with a business start-up(Clouse, 1990). However, entrepreneurship students do not experience actual start-up situations until after they leave the academic environment. This study investigated the new venture decision behavior of a group of introductory entrepreneurship students by means of a simulated decision exercise based on multiple criteria behavioral decision. Paper has addressed the need identified in the entrepreneurship literature for results oriented measures of entrepreneurship education. The study could prove that an introductory entrepreneurship course can influence how students make simulated decisions concerning the initiation of a new venture. A

longitudinal study of an individual's decisions behavior that compares decision models at different points in a student's entrepreneurship education would allow the researcher to observe changes in that individual's decision behavior beyond the impact of a single course as well as over a period.'

'Developing countries, individuals have a more entrepreneurial spirit compared to developed countries, Individuals in developing countries, however, lack the necessary skills to take their businesses to the global level. Established firms remain innovative and make the most of opportunities that unfold. Global changes present new opportunities for youth employment through the expanding role of entrepreneurship. The United Nations, also, have noted the importance of the role of entrepreneurial economic activity in domestic and international economic development and poverty alleviation through its report. Small and medium enterprises can be engines of job creation. Economic benefits of encouraging entrepreneurship. That entrepreneurship has impacts that go beyond economics. By creating jobs, empowering people, and giving individuals access to better lives entrepreneurs create knowledge and income sharing societies, help change the legal and regulatory framework, and create new technology for nations entrepreneurship courses, programmes, teaching positions and centers to emerge in management schools across India, since an entrepreneurship course was first offered in the USA by Harvard MBA students in 1947. Integrating entrepreneurship in management curricula can also help those who do not have the benefit of an entrepreneurial family background and upbringing. (Venkatachalam Balaji V., 2005).'

'As compared to the West, management education in China typically consist of hard, technically oriented management curricular delivered via lecture. A high degree of student participation during lectures is not common. Students used to

the traditional rote style of learning common in China may not easily adapt to the problem oriented. Ope style common in American business schools. This is slowly changing as a number of Chinese professors are beginning to utilize cases, especially in graduate business school. China is aggressively importing business training from the west. It is proved that American students were less convinced of the value and effectiveness of participative decision making as a managerial philosophy than their Chinese counterparts. The nature of decision-making varies considerably between the two cultures. Managerial decisions are emotionally stress full in the Chinese context Chinese manager may strive to appear to be emotionally neutral when making difficult decisions in order to preserve face for both subordinates and themselves. Chinese managers rely on accumulated wisdom, holistic thinking and experience to make decisions. Where as their American counterparts emphasize compartmentalization, nationality, and objectivity. A number of differences among American and Chinese management students were demonstrated. Chinese students in united state demonstrated a strong management motivation and appear to be receptive to participative management style. 'The Chinese government is sensitive to the use of the internet as an effective medium of state opposition. Net executives in China adhere to local customs, a practice the many critics interpret as voluntary censorship. Research that suggest methods and meant for instructional delivery in multicultural setting would be beneficial to the field. (Parnell John A, 2003)'

Research Methodology :

Paper examines the demographic profile of MBA students and the impact of management education to seek entrepreneurship as a career. The impact of management education is measured under different heads viz. impact of management education on present working profile, interest to learn more for entrepreneurship, confidence and competency to start business, courage to do

something different in life, perception about entrepreneurship education and perception on the up gradation of entrepreneurial skills. 243 students of MBA course affiliated to Shivaji University, Kolhapur were interviewed on designed schedule to understand the opinions of respective students about the management education. Data has collected into two phases to test pre and post effect, one set of data has collected in September 2011

and second set of data has collected in March 2013. Hypothesis set to test is, management education does not have any impact on management students to seek entrepreneurship as a career option. The collected data have been analyzed with percentiles, mean and standard deviation and weighted average. The chi-square statistical too and spearman's rank correlation test are used for given hypothesis.

Data Analysis :

A. Demographic Analysis

1. Gender	Male	44.03%	Female	55.96%		
2. Age Group	Age 20-23	58.02%	Age 23-26	39.51%	Age 26-28	2.47%
3. Qualification	B.Com	48.15%	B.Sc.	9.88%	Other graduation	41.97%
4. Present working profile	Studying MBA	88.48%	Studying MBA and Doing business	11.52%		
5. Total Family Income	Rs.5000-25000	70.78%	Rs.25000 and above	29.22%		

B. Impact of Management Education

1. Regarding interest to learn more for entrepreneurship, there is a change in the opinion, 79.68% sample students found in favour of opinion during I semester of MBA and in IV semester of MBA.83.53%.
2. Decision made two sample students for starting their own business/industry immediately after completion of their MBA course due to their feeling of confidence and competence about the business while they were pursuing MBA Semester I. 100% sample students (i.e.5) found during IV sem. have the good confidence and competence because they have sufficient knowledge about business.
3. Majority of the sample students have decided to start business immediate after completion of their MBA course due to the influence of different things. Many are interested in entrepreneurship through the influence of their

- own expectation of becoming an owner of any business enterprise and do something different than the other in their life because of they are interested to perform challenging task, they are ambitious, wanted to do better than others, wanted to have high status and prestige in the society, wanted to be respected by people, wanted to carve their own niche in the society, wanted to help unemployed people, liking of making their career independently, liking of taking advantages of business opportunities, liking of making their own desting liking of control the people they have creative and innovative skill, they have lots of business ideas, wanted to develop their caste, community and area etc. while they were pursuing MBA Sem. IV.
4. Samples were found to be reasonably agreed on the 7 statements in semester I, since the mean score ranges from 3.14 to 3.43 with the SD ranges from 1.05 to 1.24. The high SD reveals

difference in the opinions. As far as the same samples in Sem. IV found to be disagree with 2 statements and scored lesser to rest statements as compared to their opinions in Sem. I the mean score ranges from 2.90 to 3.38 with the SD of 1.08 to 1.29. Again in Sem. IV the high SD reveals difference of opinions.

5. There is no significant difference into the opinion of samples interested for entrepreneurship and samples not interested for entrepreneurship as far as perception about entrepreneurial education.
6. 1st semester of MBA the prevailing skills existed among sample students were average since the mean score ranges from 2.60 to 3.42 with SD ranges from 0.91 to 1.11. The high range of SD reveals in consistency in the opinions of samples. The entrepreneurial skills carries mean score 2.60 followed by personal entrepreneurial skills with mean score 2.72, business management skills 2.78, technical skills 2.99, found to be poor. The rest, soft skills with mean score 3.05, group skills score 3.06, listening skills 3.33 and behavior skills 3.42 found to be reasonably average. In the 4th semester it has found that the skills have improved since the mean score ranges from

3.81 to 4.25. This shows significant improvement in the skills sets. The opinions have SD ranges from 0.69 to 0.89 reveals consistency into the opinion. The behavioral skills with mean score 4.25, listening skills mean score 4.24, group skills mean score 4.15, business management skills mean score 4.15, communication skills mean score 4.12 and soft skills with a mean score 4.05, reveals good existence of these skills amongst sample students.

Hypothesis Testing :

H01-Management education does not have any impact on management pursuant to seek entrepreneurship as a career option.

Table 1 : Chi Square Test of career options decided by self in future

Eight career options were facilitated for samples to mark as their likely future career options. The opinions of samples sought at the time of taking admission to MBA and at the time of completion of MBA. The frequency data were analyzed by using Chi Square. The association between opinions of samples before taking admission to MBA and after completion of MBA course is assessed using Chi-Square.

	Before taking admission to MBA	After completion of MBA
Chi-Square	225.115	225.510
df	7	7
Asymp. Sig.	.000	.000

Source : Compiled by Researcher

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 30.4. The chi Square value counted to be 225 at 7 degrees of freedom at 95 % of confidence interval. The significance value is 0.000, the test is significant hence, null hypothesis is rejected. There found an

association in between the opinions of sample students towards future career option at the time of entering into MBA and at the time completion of MBA Course.

This reveals that after studying the entire course of management, the opinions of sample students did not changed as far as future career selection in concerned.

Table: 2 : Chi Square Test of Career Options Decided By Self Immediate After Education

	Before taking admission to MBA	After completion of MBA
Chi-Square	302.741	203.704
df	8	6
Asymp. Sig.	.000	.000

Source : Compiled by Researcher

Above table reveals Chi square value for at the time of taking admission to MBA is 302 at 8 degrees of freedom and at the time of completion of MBA course 203 at 6 degrees of freedom at 95 % confidence interval, the significance value is

0.000 the test is significant. The null hypothesis is rejected. Hence it can be stated that there is significant association in the immediate career plan decided by sample at the time of taking admission and at the time of completion of MBA course.

Table: 3 : Perception on the up gradation of following entrepreneurial skills in semester I and semester IV

Sr.	Parameter	Semester I			Semester IV		
		Mean	S.D.	Rank	Mean	S.D.	Rank
1	Group Skills	3.06	0.91	3	4.15	0.69	3
2	Technical Skills	2.97	1.02	6	3.96	0.79	8
3	Business Management Skills	2.78	1.04	7	4.15	0.73	4
4	Personal Entrepreneurial Skills	2.72	1.01	8	3.98	0.76	7
5	Enterprise Skills	2.60	1.04	9	3.81	0.89	9
6	Behavioral Skills	3.42	1.00	1	4.25	0.74	1
7	Communication Skills	2.99	1.11	5	4.12	0.78	5
8	Listening Skills	3.33	1.02	2	4.24	0.74	2
9	Soft Skills	3.05	1.04	4	4.05	0.82	6
Spearman's Rank Correlation Coefficient						0.850	
Sig. (2-tailed)						0.004	

Source: (Field Data)

There is significant correlation between the opinion during Ist semester and II, while the correlation coefficient statistic is 0.850, with p value 0.004 which is less than threshold value 0.01 at two tailed with 95% level of confidence. Thus result support to reject null hypothesis that there is no significant correlation between the opinion

during Ist Semester and IVth Semester in favour of alternative hypothesis that there is significant correlation between opinion during Ist semester and IV regarding perception of up gradation of given entrepreneurial skills.

Conclusion :

To conclude this paper outcome is opinions of

sample students did not change as far as future career selection is concerned. It is also found that there is significant correlation between opinion during I semester and IV regarding perception of up gradation of given entrepreneurial skills. It also found association in immediate career plan decided by samples at the time of taking admission and at the time of completion of MBA course. The accepted hypothesis that management education have an impact on management pursuant to seek entrepreneurship as career option after studying the entire course of management. Change found into the interest to learn entrepreneurship education. The benefits to students are self-evident. It is hoped that all stakeholders will similarly appreciate the benefits of introducing and internalizing entrepreneurship in management schools.

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Annexure :

Table : 1 : Students' Present Working Profile While Studying

(n=243)					
Sr.	Parameter	Semester I		Semester IV	
		Frequency	Percentage	Frequency	Percentage
1	Studying in MBA only	215	88.48	218	89.71
2	Studying in MBA and working part- time	5	2.06	5	2.06
3	Studying in MBA and doing business part- time	3	1.23	4	1.65
5	Studying in MBA and participating in family business	10	4.12	8	3.29
6	Studying in MBA and working full time	5	2.06	5	2.06
7	Any other (Specify)	5	2.06	3	1.23
Total		243	100	243	100

Source : (Field Data)

Table : 2 : Interested to learn more for entrepreneurship

The sample students who were not interested in entrepreneurship as their career option the question was perform them as providing an

opportunity to learn about starting and managing business can a fraught be given to reconsider career option as an entrepreneur. The responses taken in the 1st semester of MBA and 4th semester of MBA.

Sr.	Parameter	Before		After	
		Frequency	Percentage	Frequency	Percentage
1	Yes	149	79.68	142	83.53
2	No	29	15.51	22	12.94
3	Can't say	9	4.81	6	3.53
Total		187	100.00	170	100.00

Note: Out of 234 samples at the time of before reading 187 samples responded and at the time of

after out of 224 samples 170 samples are responded.

Measuring Financial Health :

A Comparative Study of Co-operative Sugar Factories

Aniket H. Jadhav, Shrikrishna S. Mahajan

Abstract

Sugar industry is the second largest agro-based industry in India. Livelihood of more than 45 million sugar-cane farmers and large mass of agricultural labourers involved in sugar-cane cultivation and harvesting are dependent on the performance of sugar industry. The co-operative sugar factories are playing a vital role in economic development of the rural area by mobilizing rural resources, generating employment, raising family income and enhancing the standard of living of rural people. This paper aims at making comparative financial analysis of two co-operative sugar factories i.e. Hutatma Kisan Ahir Sahakari Sakhar Karkhana Ltd. Walwa (HKASSK Ltd.) and Kranti Sahakari Sakhar Karkhana Ltd. Kundal (KSSK Ltd.). In terms of liquidity, solvency, operational efficiency and profitability. Accounting ratios have been used for descriptive statistics and one sample t test and paired sample t test used for testing of hypothesis. Both sugar factories have high level of stock of sugar which adversely affected the liquidity position. Management practices with professional approach tend to improve the financial performance of sugar factories by implementing some innovative practices to reduce the avoidable cost and generating additional revenues.

Keywords : Financial Health, Co-operative Sugar Factories, Financial Analysis, Liquidity, Solvency, Profitability and Operational efficiency.

Introduction

The financial distress of co-operative sugar factories is most debatable issue in India in recent years. The co-operative institutions such as sugar factories, spinning mills, banks, credit societies etc. have contributed significantly to the socio-economic development since the attainment of independence. Sugar industry is the second largest agro-based industry in India which occupies vital role in Indian economy in general and Indian

agriculture in particular. The livelihood of more than 45 million sugar-cane farmers and large mass of agricultural labourers involved in sugar-cane cultivation and harvesting are dependent on the performance of sugar industry.

More than one-third sugar factories are in Co-operative sector. The co-operative sugar industry is playing an important role in economic development of the rural area by mobilizing rural resources, generating employment and raising family income and ultimately enhancing the standard of living of rural people. These co-operative sugar factories have changed the lives of the millions of peoples from villages by providing direct and indirect employment in large number, around the operational area. The roads, education institutions, hospitals, irrigation institutions and even the cultural institutions in the rural area have been supported by these co-operatives. The co-operative sugar industry particularly in the Maharashtra state is one of the

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biggest co-operative processing industries which is functioning as growth centre for rural development but unfortunately today the financial position of the majority of the co-operative sugar factories is not sound due to some problems such as shortage of sugarcane, fluctuating sugar price, absolute plant and machinery, shortage of working capital and negative political interference etc. This paper aims at making comparative financial analysis in terms of liquidity, solvency, operational efficiency and profitability. It analyzed the performance of two selected co-operative sugar factories in Maharashtra.

Review of Literature :

In order to identify research gap as well as methodological gap the studies previously undertaken on co-operative sugar factories have been reviewed.

Ready and Ready (2012) had made an attempt to measure the financial distress of selected sugar factories by applying Altman's Z score model. They come to conclusion that selected sugar factories representing poor financial performance which may lead to bankrupts but one of them has taken turnaround measures to improve its performance. Maheswari and Reddy (2012) have analyzed working capital structure of selected sugar mills in Chittoor district in terms of structure of working capital, financing working capital, Current ratios, working capital turnover and operating cycle. Ballasubramanian (2012) has made a review on progress of sugar industry in India and discussed challenges before sugar industry in the context of liberalization process. It highlighted sugar policy, growth in area of sugarcane cultivation, production, and quantitative growth of sugar factories. Herekar and Shinde (2012) have taken a review of challenges before sugar Co-Operatives in Maharashtra and suggested some remedies thereon. They have identify problems being faced by sugar Co-Operatives such as corruption, lack of professional management, short margin, Price crash, High interest burden, Shortage of Sugarcane, Need of Modernization,

Threat of Privatization etc. Noronha and Thakor (2012) have study the financial viability of sugar factories in South Gujarat by using group statistics about the performance of sugar factories. The financial viability is assessed by using return on capital employed ratio, gross profit ratio, net profit ratio, expenses to sales ratio, interest coverage ratio, debt- equity ratio, current ratio, fixed assted turnover ratio and operating profit ratio. The brief review of recent studies shows that financial performance of co-operative sugar factories has to analyze on comparison basis to identify strength and weaknesses of the performance. So the present study intends to make comparative financial analysis of performance of co-operative sugar factories in terms of liquidity, solvency, operational efficiency and profitability.

Statement of the Problem :

In general, the condition of the co-operative sugar factories is not well. There are so many problems in the working of sugar factories. Efficient management, dynamic leadership and professionalism are essential measures for survival and growth of any organization. The management, shareholders, and other beneficiaries are always interested to know the financial performance so as to understand how the organization is effectively and efficiently utilizing the resources for achieving organizational goal. Financial analysis of co-operative sugar factories lights on the financial health of respective organization and following questions have been raised to analyze the financial performance of sugar factories: How does a sugar factory maintain the long term financial stability? How does a sugar factory increase their operational efficiency? Which are the factors affecting the financial strength of co-operative sugar factories? How do sugar factories overcome their financial weaknesses?

Research Methodology :

The present study is an analytical study and mainly dependent on secondary sources of data. The study set to test the hypothesis that, liquidity position, solvency position, profitability position and the

operational efficiency of sample sugar factories is significantly different. The prime objective of study is to make comparison of selected co-operative sugar factories with reference to their financial strengths and weaknesses.

Two sugar factories have been selected from Sangali District of Maharashtra as one from Walwa Tehsil and one from Palus Tehsil, for the study, on the basis of their financial performance i.e. Hutatma Kisan Ahir Sahakari Sakhar Karkhana Ltd. Walwa and Kranti Sahakari Sakhar Karkhana Ltd. Kundal. The both primary and secondary sources for collection of data have been used. The primary source is restricted to personal discussion only. The secondary data have been collected from the Annual Reports, Books, M. Phil dissertations and Ph. D. theses, magazines, different websites, newspapers and journal articles etc. Researchers used different ratios of liquidity, solvency,

profitability and operational efficiency of sugar factories for the analysis of data. The financial performance of the Sugar factories has been studied for a period of 7 years from 2005-06 to 2011-12. The comparison has been made on the same basis by using one sample t test and paired sample t test have been used to know significant difference between financial performances of sugar factories.

Analysis and Interpretation :

The comparative financial health of selected co-operative sugar factories was assessed by using different parameters such as solvency position, liquidity position, profitability position and operational efficiency of the sugar factories.

Descriptive Analysis :

The liquidity position of cooperative sugar factories have been measured by Current Ratio (CR), Quick Ratio (QR) and Cash Ratio (CR1).

Table 1 : Comparison between Liquidity of HKASSK Ltd. & KSSK Ltd.

Year	HKASSK Ltd.			KSSK Ltd.		
	CR	QR	CR1	CR	QR	CR1
2005-06	2.05	0.32	0.16	2.61	0.21	0.06
2006-07	2.11	0.26	0.05	2.09	0.19	0.04
2007-08	2.07	0.44	0.07	1.75	0.23	0.02
2008-09	2.43	0.45	0.16	1.89	0.41	0.06
2009-10	1.89	0.17	0.02	1.96	0.33	0.09
2010-11	2.26	0.42	0.07	2.25	0.52	0.15
2011-12	2.38	0.27	0.01	2.40	0.46	0.06

(Source-Annual reports of HKASSK Ltd. and KSSK Ltd. from FY 2005-06 to FY 2011-12)

Table 1 denotes the data relating to the comparison of liquidity position of HKASSK Ltd. and KSSK Ltd. for the period from FY 2005-06 to FY 2011-12. The Current Ratio (CR), Quick Ratio (QR) and Cash Ratio (CR1) of HKASSK Ltd. and KSSK Ltd. show the fluctuating liquidity position. In first four years liquidity position of HKASSK Ltd. has better than KSSK Ltd. but in last three years liquidity of KSSK Ltd. is better than HKASSK Ltd. The liquidity position of HKASSK Ltd. and

KSSK Ltd. is not satisfactory because current assets of both the sugar factories comprise major part of stock of sugar.

Debt Equity Ratio (DER), Shareholders Equity Ratio (SER), Debt to Net Worth Ratio (DNWR), Capital Gearing Ratio (CGR), Fixed Asset to Long-Term Fund Ratio (FALTFR) and Proprietary Ratio (PR) have been used to analyze the solvency position of cooperative sugar factories.

Table 2 : Comparison between Solvency of HKASSK Ltd. & KSSK Ltd.

Year	HKASSK Ltd.						KSSK Ltd.					
	DER	SER	DNWR	CGR	FAL	FR PR	DER	SER	DNWR	CGR	FAL	FR PR
2005-06	1.30	0.23	1.30	0.53	0.52	0.23	1.87	0.27	2.01	0.53	0.53	0.26
2006-07	1.88	0.22	2.70	0.44	0.47	0.16	1.36	0.32	1.60	0.73	0.59	0.28
2007-08	2.02	0.22	2.02	0.43	0.65	0.22	1.06	0.32	1.06	0.75	0.61	0.32
2008-09	2.90	0.17	2.90	0.31	0.47	0.17	0.90	0.36	0.90	0.94	0.57	0.36
2009-10	2.40	0.19	2.53	0.41	0.47	0.18	1.37	0.29	1.37	0.67	0.56	0.29
2010-11	2.75	0.18	2.75	0.36	0.42	0.18	1.16	0.34	1.19	0.82	0.57	0.33
2011-12	3.70	0.17	3.70	0.34	0.29	0.17	1.46	0.30	1.46	0.68	0.49	0.30

(Source-Annual reports of HKASSK Ltd. and KSSK Ltd. from FY 2005-06 to FY 2011-12)

Table 2 shows the comparison of solvency position of the HKASSK Ltd. and KSSK Ltd. for the period from FY 2005-06 to FY 2011-12. The solvency position of KSSK Ltd. is better than that of HKASSK Ltd. because KSSK Ltd. have more equity capital in capital structure as compared to HKASSK Ltd. The HKASSK Ltd. was largely

depending on debt capital which has more financial risk.

The profitability of cooperative sugar factories has been analyzed by using Gross Profit Ratio (GPR), Net Profit Ratio (NPR), Earning Per Share (EPS), Return on Assets (ROA) and Return on Capital Employed (ROCE).

Table 3: Comparison between Profitability of HKASSK Ltd. & KSSK Ltd.**(Ratios in %)**

Year	HKASSK Ltd.					KSSK Ltd.				
	GPR	NPR	EPS	ROA	ROCE	GPR	NPR	EPS	ROA	ROCE
2005-06	18.00	0.21	208.90	0.13	0.20	39.79	0.23	13.7	0.07	0.09
2006-07	5.71	-11.7	-12109.28	-6.98	-9.58	12.65	-3.96	-521.68	-2.88	-3.77
2007-08	17.31	3.16	3666.84	1.9	2.59	27.73	8.00	895.43	4.32	6.55
2008-09	20.79	0.05	69.95	0.03	0.03	18.25	0.05	10.06	0.03	0.05
2009-10	11.78	2.20	5661.05	2.24	3.47	17.48	0.44	133.08	0.29	0.42
2010-11	11.51	1.23	2773.78	0.98	1.43	12.08	0.55	238.34	0.50	0.67
2011-12	17.73	0.05	112.67	0.03	0.05	10.82	0.08	32.01	0.05	0.07

(Source-Annual reports of HKASSK Ltd. and KSSK Ltd. from FY 2005-06 to FY 2011-12)

Table 3 expresses the overall comparison between profitability position of HKASSK Ltd. and KSSK Ltd. In FY 2006-07 all the profitability ratios highly decreased because in year 2005 there was a flood in operational area of sugar factories and lot of sugarcane crop was damaged which affected sugarcane production in the FY 2006-07 and consequently affected

profitability of sugar factory in that particular year.

The operational efficiency is expressed by using Material Cost Ratio (MCR), Labour Cost Ratio (LCR), Factory Overhead Ratio (FOR), Administrative Expenses Ratio (AER) and Selling and Distribution Expenses Ratio (SDER) of HKASSK Ltd. and KSSK Ltd.

Table 4: Comparison between Operational Efficiency of HKASSK Ltd. & KSSK Ltd.

Year	HKASSK Ltd.					KSSK Ltd.				
	MCR	LCR	FOR	AER	SDER	MCR	LCR	FOR	AER	SDER
2005-06	84.05	12.33	5.57	5.13	1.26	119.6	12.23	9.18	2.03	2.25
2006-07	67.61	13.13	5.95	4.92	1.66	54.4	7.57	5.23	1.35	1.45
2007-08	59.10	12.09	6.32	5.37	1.47	69.23	9.59	7.38	1.47	3.5
2008-09	101.72	13.45	7.65	3.11	1.42	65.51	7.90	5.24	1.23	1.34
2009-10	74.60	9.10	4.13	1.45	0.8	92.7	7.42	5.33	1.14	1.37
2010-11	72.74	10.01	4.30	1.97	0.91	64.77	7.35	5.33	1.05	1.01
2011-12	86.14	11.86	5.92	3.36	1.23	84.95	11.6	5.49	1.36	1.25

(Source-Annual reports of HKASSK Ltd. and KSSK Ltd. from FY 2005-06 to FY 2011-12)

The comparative operational efficiency of HKASSK Ltd. and KSSK Ltd. has been presented in Table 4 from FY 2005-06 to FY 2011-12. These ratios show the fluctuating trend of operational efficiency of both the sugar factories. The material cost ratio is higher in both the sugar factories because the price of sugar cane was increased year after year.

Testing of Hypotheses :

The comparison between the financial performances of two cooperative sugar factories has been made on the basis of different ratios

of liquidity, solvency, profitability and operational efficiency. The hypotheses have been tested by using one sample t test and paired sample t test to know significant difference between financial performances of sugar factories.

Hypothesis-1 :

H0- There is no significant difference in liquidity position of two selected sugar factories.

Ha- There is significant difference in liquidity position of two selected sugar factories.

Table 5 : Significant Difference in Liquidity Position of HKASSK Ltd. and KSSK Ltd.

Null Hypotheses	Mean	S.D	df	Table Value	Calculated Value	Decision
Current Ratio	0.034	0.343	6	0.265	0.800	Accepted
Quick Ratio	-0.002	0.150	6	0.051	0.961	Accepted
Cash Ratio	0.008	0.077	6	0.293	0.779	Accepted

(Source- Compiled by Researcher)

Table 5 has results of testing as the 'p' values for current ratio, quick ratio and cash ratio are 0.800, 0.961 and 0.779 respectively. Which are greater than the significant value i.e. 0.05 ('p' value > 0.05) so we accepted the null hypothesis and alternative hypothesis is rejected. It means that there is no significant difference in the

liquidity position of HKASSK Ltd. and KSSK Ltd. over the study period.

Hypotheses-2

H0- There is no significant difference in solvency position of selected sugar factories.

Ha- There is significant difference in solvency position of selected sugar factories.

Table 6 : Significant Difference in Solvency Position of HKASSK Ltd. and KSSK Ltd.

Null Hypotheses	Mean	S.D	df	Table Value	Calculated Value	Decision
Debt to Equity Ratio	1.110	0.957	6	3.068	0.022	Rejected
Shareholders Equity Ratio	-0.117	0.0485	6	6.384	0.001	Rejected
Debt to Net Worth Ratio	1.187	0.963	6	3.261	0.017	Rejected
Capital Gearing Ratio	-0.328	0.192	6	4.514	0.004	Rejected
Fixed Assets to Long Term Fund Ratio	-0.090	0.081	6	2.916	0.027	Rejected
Proprietary Ratio	-0.118	0.049	6	6.385	0.001	Rejected

(Source- Compiled by Researcher)

Table 6 shows that the 'p' values for debt equity ratio, shareholder equity ratio, debt to net worth ratio, capital gearing ratio, fixed assets to long term assets ratio and proprietors ratio of HKASSK Ltd. and KSSK Ltd. are 0.022, 0.001, 0.017, 0.004, 0.027 and 0.001 respectively which are less than the significant value i.e. 0.05 ('p' value <0.05) so the null hypotheses are rejected and alternative hypothesis is accepted which means that there is

significant difference in solvency position of HKASSK Ltd. and KSSK Ltd.

Hypotheses-3

Ha- There is significant difference in profitability position of selected sugar factories.

H0- There is no significant difference in profitability position of selected sugar factories.

Table 7 : Significant Difference in Profitability of HKASSK Ltd. and KSSK Ltd.

Null Hypotheses	Mean	S.D	df	Table Value	Calculated Value	Decision
Gross Profit Ratio	-5.138	9.431	6	1.441	0.200	Accepted
Net Profit Ratio	-1.455	3.465	6	1.111	0.309	Accepted
Earnings Per Share Ratio	-5.957	5461.43	6	0.029	0.978	Accepted
Return on Assets Ratio	-0.578	2.014	6	0.760	0.476	Accepted
Return on Capital Employed Ratio	-0.841	3.010	6	0.740	0.488	Accepted

(Source- Compiled by Researcher)

Table 6 shows that the 'p' values for gross profit ratio, net profit ratio, earning per share ratio, return on assets ratio and return on capital employed ratio of HKASSK Ltd. and KSSK Ltd. are 0.200, 0.309, 0.978, 0.476, and 0.488 respectively which are greater than the significant value i.e. 0.05 so we accepted the null hypotheses and alternative hypothesis is rejected that there is no significant

difference in profitability of HKASSK Ltd. and KSSK Ltd.

Hypotheses-4

H0- The operational efficiency of sample sugar factories do not differ significantly.

Ha- The operational efficiency of sample sugar factories differ significantly.

Table 8: Significant Difference in Operational Efficiency of HKASSK Ltd. and KSSK Ltd.

Null Hypotheses	Mean	S.D	df	Table Value	Calculated Value	Decision
Material Cost Ratio	-0.742	23.24	6	0.085	0.935	Accepted
Labour cost Ratio	2.615	2.24	6	3.092	0.021	Rejected
Factory Overhead Ratio	-0.477	1.89	6	0.666	0.530	Accepted
Administrative Exp. Ratio	2.240	1.34	6	4.393	0.005	Rejected
Selling and Distribution Exp. Ratio	0.488	0.80	6	1.621	0.156	Accepted

(Source- Compiled by Researcher)

Table 8 shows that the 'p' value for material cost ratio of HKASSK Ltd. and KSSK Ltd. is 0.935, which is greater than the significant value i.e. 0.05 hence the null hypothesis is accepted. For labour cost ratio of HKASSK Ltd. and KSSK Ltd. the 'p' value is 0.021 which is less than the significant value so we reject the null hypothesis. For factory overhead ratio of HKASSK Ltd. and KSSK Ltd. the 'p' value is 0.530 which is greater than the significant value i.e. 0.05 hence null hypotheses is accepted. For administrative expenses ratio of HKASSK Ltd. and KSSK Ltd. the 'p' value is 0.005 which is less than the significant value i.e. 0.05 so null hypotheses is rejected. For selling and distribution expenses ratio of HKASSK Ltd. and KSSK Ltd. the 'p' value is 0.156 which greater than the significant value. So the null hypotheses are accepted. From the overall hypotheses testing we can say that in case of Material cost ratio, Factory overhead ratio and Selling and distribution ratio, there is no significant difference in the operational efficiency of HKASSK Ltd. and KSSK Ltd. But in terms of Labour cost ratio and Administrative expenses ratio, there is significant difference in the operational efficiency of HKASSK Ltd. and KSSK Ltd.

Findings :

1. The liquidity position of HKASSK Ltd. was slightly better than the KSSK Ltd. during the study period. Both sugar factories have high level of stock of sugar which adversely affected the liquidity position.

2. The overall solvency position of KSSK Ltd. is better than the HKASSK Ltd. The equity of KSSK Ltd. in its capital structure is greater as compared to that of HKASSK Ltd. during the study period.
3. There is no significant difference in the profitability position of both the sugar factories. The trend of profitability of selected sugar factories is similar in nature. Due to natural calamity of flood, both the sugar factories have a huge loss in the year 2006-07 in operational area. The overall profitability of both the sugar factories was not good.
4. In the operational efficiency the KSSK Ltd. have slightly better position than HKASSK Ltd. Beside no drastic change in operational efficiency of both the sugar factories, material cost ratio has grown from 84.05% in 2005-06 to 101.72% in 2008-09 and again reached to 86.14% in 2011-12 due to the considerable increase in sugarcane prices (material cost).

Suggestions :

1. In recent years, Takari irrigation scheme has been implemented which is being benefited to farmers of Kadegaon Taluka. Due to this irrigation facility, farmers are cultivating sugarcane. But most of them are supplying sugarcane to other sugar factories nearby. So in Kadegaon Taluka by making village-wise micro level planning of cultivation and harvesting program may be implemented by KSSK Ltd to take geographical competitive

advantage. It will help in maintaining continuous flow of quality sugarcane which will improve the operational efficiency of sugar factory and ultimately improve the profitability.

2. To improve sugarcane cutting time cycle and recovery percentage, the remedial measures such as time management of cutter gangs, alternative use of cutting machinery (while shortage of sugar cane cutters), reducing time of transportation may be taken. It will help to improve the profitability and efficiency of the sugar factory.
3. HKASSK Ltd. may organize on-the-job training in respect of technical know-how, skill enhancement, safety measures and improvement of efficiency.
4. KSSK Ltd. has a power generation project which is contributing to the profitability. The HKASSK Ltd. has also a option to increase their profitability by launching power generation project.
5. Management of both the sugar factories should take care of absolute liquidity as this problem has financial risk. For this purpose cash flow analysis and cash budget technique may be useful for better cash management.
6. In the composition of current assets stock occupies large proportion which resulted into blockage of funds which may be minimized.
7. The sugar factories may adopt the measures of working capital management through their operating and with own funds for working capital finance.
8. The management of sugar factories may plough back profit for future requirements and technological upgradation.

Conclusion :

The study has made the financial analysis of Hutatma Kisan Ahir Sahakari Sakhar Karkhana and Kranti Sahakari Sakhar Karkhana by using different ratios of Liquidity, Solvency, profitability and operational efficiency of HKASSK Ltd. and

KSSK Ltd. The researcher also makes a comparative analysis of financial performance of both the sugar factories. These sugar factories have absolute liquidity and the solvency position of KSSK Ltd. is better than HKASSK Ltd. Testing of hypotheses shows that there is no significant difference in liquidity, profitability and operational efficiency of HKASSK Ltd. and KSSK Ltd. and there is significant difference in solvency of HKASSK Ltd. and KSSK Ltd. Management practises with professional approach tends to improve the financial performance of sugar factories by implementing some innovative practises to reduce the avoidable cost and generating additional revenues.

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Problems Faced by Women Entrepreneurs in Southern Maharashtra

Varsha Maindargi

Abstract

Women entrepreneurship has gained momentum as a result of foreign direct investment, technological innovations and a wide range of economic and social opportunities to women entrepreneurs. Though there has been a rapid increase in the efforts to encourage women entrepreneurship in developing countries, several barriers viz. cultural, educational, technological, financial and legal enter in the way of women entrepreneurs throughout the world. The present paper attempts to identify problems faced by women entrepreneurs in southern Maharashtra, the nature of problems and steps taken to solve those problems.

Keywords : Entrepreneurship, Entrepreneurial Barriers, Commercial Bank, Lopsided

Introduction :

Economic development of a country is generally equated with its industrial development. It is the entrepreneur who stands at the centre of the industrial activity and assumes various roles of a country's development process. Thus, entrepreneurship has now become an important focal point in the third world countries.

Any strategy aimed at economic development will be lopsided without involving the women folk who constitute half of the world population. Evidences have unequivocally established that entrepreneurial spirit is not a male prerogative. Women entrepreneurship has gained momentum as a result of foreign direct investment, technological innovations and a wide range of economic and social opportunities to women entrepreneurs. In the dynamic world, women entrepreneurs are likely to become an important part of the global quest for sustained economic development and social progress.

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Though there has been a rapid increase in the efforts to encourage women entrepreneurship in developing countries, several barriers viz. cultural, educational, technological, financial and legal enter in the way of women entrepreneurs throughout the world. In some parts of the globe, women entrepreneurship is restricted by social customs and traditions. In India, women entrepreneurship is virtually controlled by men. In other parts, women may be facing problems, such as lack of transport and storage facilities, market information, etc. and are also exploited by middlemen, due to poor bargaining power.

The present paper attempts to identify the problems faced by women entrepreneurs in southern Maharashtra, the nature of problems and steps taken to solve those problems.

Review of Literature :

O'Meally-Nelson (1991) revealed that women were concentrated in businesses which required the least capital outlay, or which were an extension of household activities, for example small scale retail or dress making / garment manufacturing. Majority of the women had encountered gender-bias while establishing and developing their business and 29 per cent believed that they would be socially isolated if they exhibited the

assertiveness and strength usually associated with the male entrepreneurs. But 30 per cent of the women however identified advantages of being female. They could negotiate better, obtain preferential treatment and obtain cooperation from males.

Baijal and Asoken (1997) in a Comparative Approaches in India and UK states that in India women enterprises are separately defined but in the UK women enterprises do not have any special and separate definition. They concluded that (a) In both India and the UK commercial banks continue to be the major sources of finance for small firms. (b) As per British Bankers' Association figures, as of June 1996, the total bank deposits by small firms were £25.4 billion while total borrowing (term loans and overdrafts) by small businesses totaled £34.8 billion. This indicates that exposure of commercial banks with respect to finance for small business is very limited. (c) There is no significant evidence to suggest that women entrepreneurs are discriminated by banks either in the UK or in India. (d) In both the countries, women entrepreneurs prefer service and retail trading activities. (e) In both the-countries, the main difficulty that women face when starting up is the burden of family responsibilities.

Panandikar (1985) observed that a woman is recognized as an entrepreneur only when she earns hard cash or has some monetary gains. The nature of work is about the same in the case of such units as are engaged in manufacturing of pickles, papads and other snacks. With the spread particularly of higher education, and the growing awareness of their status, women are spreading their wings to reach the higher levels of 3-Es (Engineering, Electronics and Energy). She observed that there are hurdles in general for any entrepreneur, but for women entrepreneurs the greatest constraint is that they are 'women'.

Nadkarni (1982) has divided the industries into two groups :(i) producer goods industries, and (ii) consumer goods industries. She has concluded

that, 57% of the respondents accept that women are more suitable for desk work than manual work; a change is occurring in society attitude but the pace of the change is rather slow and educated family is more likely to adopt a relatively liberal approach towards women entrepreneurs as compared to non-educated.

Easwaran Sunanda (1991) revealed that the primary motive for engaging in some economically gainful activity by women is a desire for gainful time structuring or more money to support the family. The major reasons for most women opting for business rather than a job is flexible management of time, i.e. to adjust the working hours in such a way as to shoulder family commitments also and yet have more independence compared to a 9- to-5 job. She further observed that family members and funding agencies' cooperation mainly influence the decision of women entrepreneurs embarking upon a business career.

George (1991) observed that women entrepreneurs, who had undergone special training in tailoring, could earn higher profits because they could cater to the changing demands of the market.

Paul (1996) pointed out problems faced by Indian women entrepreneurs are financial constraints, over dependence on intermediaries, scarcity of raw materials, intense competition, and high cost of production, limited mobility, family ties and responsibilities, lack of education, skill acquisition and low need for achievement. He further stated that Indian women entrepreneurs are handicapped by lack of adequate finance, technical know-how, non-availability of raw materials, lack of technical and managerial skills.

The literature shows that there is a need for more specific studies on problems faced by women entrepreneurship using structured research design, so that various aspects of women entrepreneurship could be understood in the larger context.

Research Methodology :

Study put to test hypotheses as, women

entrepreneurs differ in their socio-economic profile and women entrepreneurs face various problems. In the light with these hypotheses study focused to investigate the profile of the women entrepreneurs in Maharashtra and identify problems faced by them. Study also looked into the steps taken by women entrepreneurs to solve the problems.

The women entrepreneurs have been selected from the database maintained by the District Industries Centre in Southern part of Maharashtra (Kolhapur, Sangli, Satara, Ratnagiri and Sindhudurg selected on geographical continuity basis considering circular from Kolhapur District as main centre.). The random sampling method has been used and 25% of the total number of women entrepreneurs registered with DICs assisted by commercial banks were selected for study from five districts of Maharashtra State. Women entrepreneurs registered with District Industries Centre as on Aug. 2011. The survey (for collecting primary data) was conducted during the period from Aug.2011 to Oct. 2012.

Table 1 : Selection of Sample

Sr.	District	Total No. of W.E.	W. E. selected
1	Kolhapur	159	40
2	Sangli	98	24
3	Satara	77	19
4	Ratnagiri	67	17
5	Sindhudurg	82	20
Total		483	120

Source - Published data by DIC

*W.E. - Women entrepreneurs

The primary data were collected using structured schedule prepared in vernacular language i.e. Marathi for better understanding. The data collected have been classified, tabulated and analyzed using percentages, averages, weight points and ratios.

Profile of Women Entrepreneurs :

For studying the personal profile, variables, viz.

age, community, place of birth, marital status, head of household, nature of family, number of members in the family and education have been used. Following is the profile of women entrepreneurs under study.

1. Women undertake entrepreneurial activity at their young age. The data regarding age of entrepreneurs shows that 70 % women entrepreneurs are from young age group.
2. Most of the women entrepreneurs they have educational background upto graduation level (i.e. 40 %). Only 1.67% women entrepreneurs possess technical knowledge.
3. Almost all the women entrepreneurs are married. Only 2% are unmarried.
4. Most of the women i.e. 76% are from open category undertake entrepreneurial activities. The entrepreneurs belonging to SC/CT community are only 16 % in number. Thus the banks are still lagging behind in attracting the neglected class of society to the entrepreneurial field.
5. Most of the women have family background of business i.e. 56%. Women from family background of profession are only 10%.
6. 75.83% of the families of women entrepreneurs are headed by their husbands and 17.50% are by women entrepreneurs themselves.
7. 82.50% women entrepreneurs assisted by commercial banks are living in nuclear family pattern. Women entrepreneurs from joint families are less in number.
8. Need for independence is the most important factor attracting women towards entrepreneurship. The next significant factor which influenced the entrepreneurs was desire to do something. Other factors includes availability of bank finance, unemployment, experience in same line, initiative taken by father or husband, dissatisfaction in previous job, encouragement by relatives or friends, opportunities available, availability of raw material etc.

Problems Faced by Women Entrepreneurs :

The financial, marketing, labour, general and production problems faced by women entrepreneurs are discussed in table below.

Table 2 : Problems Faced by Women Entrepreneurs

Sr.	Nature of problems	No. of WEs	% to 120
1.	Production prob. (Scarcity of raw material)	46	38.33
2.	Lack of power	13	10.83
3.	Transportation problems	26	21.67
4.	Rigid government rules	02	01.67
5.	Financial problems	76	63.33
6.	Marketing problems	29	24.17
7.	Labour problems	29	24.17
8.	Any other i.e. training prob.	28	23.33
Total		249	207.50

* Source - Field data

Note : Total exceeds 120 and 100 per cent due to multiple answers

It is found that majority women entrepreneurs i.e. 63.33 % faced the financial problem while 46 women entrepreneurs suffered from the scarcity of raw material. Women entrepreneurs had shortage of power as ranked by 10.83 % women

entrepreneurs and 21.67% had transportation problems. The problem of rigid government rules was expressed by only 1.67% women entrepreneurs. Marketing and labour problems are also faced by women entrepreneurs.

Table 3 (a) : Nature of Financial Problems

Sr.	Nature of financial problem	No. of WE	Percentage (to76)
1	Lack of fixed capital	18	23.68
2	Non availability of credit	45	59.21
3	High cost of capital	20	26.32
4	Fear of taking more loan	15	19.74
5	Inadequate credit	31	40.79
Total		129	169.73

Source - Field Data

Note : Total exceeds 76 and 100 per cent due to multiple answers

The study reveals that 63.33% per cent of the respondents in Maharashtra are facing different financial problems. Most of them have the problem of non availability of credit, which is ranked as

first. The second problem is inadequate credit as perceived by 40.79% respondents. High cost of capital is also another problem as ranked by 26.32% women entrepreneurs.

Table 3 (b) : Reasons for not Getting Credit by Women Entrepreneurs

Sr.	Reasons for not Getting Adequate Credit	No. of WE	Percentage to 76
1	Lack of collateral security	45	59.21
2	Poor loan proposal	15	19.74
3	Gender discrimination	30	39.47
4	Poor financial position	25	32.89
5	High margin money	20	26.32
6	Rigid bank staff	26	34.21
7	Lack of personal guarantee	23	30.26
8	Strict terms and conditions	22	28.95
Total		206	271.05

Source - Field Data

Note : Total exceeds 76 and 100 per cent due to multiple answers

Lack of collateral security is the basic reason for the women entrepreneurs for not getting adequate credit from financial institutions. Gender discrimination is another important reason for not getting adequate credit facilities for women (as given by 39.47 % women entrepreneurs).

Table 3 (C) : Steps Taken to Solve Financial Problems by the Women Entrepreneurs

Sr.	Steps Taken to Solve Problems	No. of WE	Percentage (to76)
1	Borrowing from money lenders	8	10.53
2	Sale of property/valuables	5	6.58
3	Pledging of jewellery	15	19.74
4	Borrowing from friends/relatives	18	23.68
5	Utilising personal savings	50	65.79
Total		96	126.32

* Source: Field data.

Note - Total exceeds 76 and 100 per cent

A large majority of the women entrepreneurs (65.79%) are utilizing their personal savings in times of financial crisis. 10.53 per cent depend on money lenders for finance. Pledging from

jewellery is made by 19.74% respondents. Women entrepreneurs didn't sell their property for meeting financial needs.

Table 4 (a) : Nature of Production Problems of the Women Entrepreneurs

Sr.	Nature of Production Problems	No. of WE	% (to 46)
1	High cost of production	29	63.04
2	Problem of raw materials	18	39.13
3	Lack of skilled production staff	13	28.26
4	Frequent power failure	18	39.13
5	Opposition due to pollution	04	8.70
6	Lack of technical know-how	07	15.22
7	Bribe to get licenses/approvals	06	13.04
8	Lack of research and development facilities	09	19.57
Total --		104	226.09

*Source: Field data.

Note : Total exceeds 46 and 100 per cent due to multiple answers

High production cost is the main production problem faced by 63.04% women entrepreneurs. It is also observed that high cost of inputs is the main reason for high cost of production, which reduces the margin of some of the women entrepreneurs considerably. The next important problem, as perceived by the respondents of is of

raw materials (39.13%). The non-availability and seasonal nature of raw materials create problems to women entrepreneurs. Frequent power failure is also ranked as the second the problem, which leads to loss of production time, loss of revenue, increased expenditure, abnormal idle time, etc.

Table 4 (b) : Steps Taken to Solve Production Problems

Sr.	Steps Taken to Solve Production Problems	No. of WE	% (to 40)
1	Importing of cheap labour	27	67.5
2	Quality control	10	25.00
3	Purchasing quality materials and modern machinery	22	55.00
4	Research and development	06	15.00
Total - -		65	162.50

*Source : Field data.

Note : Total exceeds 40 and 100 per cent due to multiple answers

The usual steps taken by the women entrepreneurs show that importing of cheap labour is the major step taken by 67.5% women entrepreneurs to reduce the cost of production. The women

entrepreneurs have rated secondly for purchasing quality materials and modern machinery, whereas research and development ranks last.

Table 5 (a): Nature of Labour Problems faced by Women Entrepreneurs

Sr.	Nature of Labour Problems	No. of WE	% (to 29)
1	High labour absenteeism	20	68.97
2	High labour turnover	11	37.93
3	Absence of trained staff	06	20.69
4	High labour cost	18	62.07
5	Attitude of employees/workers	07	24.14
6	Trade union problems	03	10.34
7	Low productivity	04	13.79
Total --		69	237.93

* Source : Field data.

Note : Total exceeds 29 and 100 per cent due to multiple answers

It is inferred from table that high labour absenteeism is the major labour problem faced by the women entrepreneurs which according to them, leads to considerable loss of production, time and

inability to meet the orders in time. High labour cost ranks second. High labour turnover ranks next. The problem of labour union is not significant in the units run by women entrepreneurs.

Table 5 (b) : Steps Taken to Solve Labour Problems

Sr.	Steps Taken to Solve Labour Problems	No. of WE	% to 26
1	Executing labour contracts	6	23.08
2	Attractive fringe benefits to reduce labour absenteeism	8	30.77
3	Banning the formation of trade union in the concern	--	--
4	Punishment for default	2	7.69
5	Providing training to workers	4	15.38
6	Incentives for increased production (with minimum wastage)	18	69.23
Total --		38	146.15

* Source : Field data.

Note : Total exceeds 26 and 100 per cent due to multiple answers

Table depicts that the women entrepreneurs mainly resort to the practice of giving incentives to employees as a step to solve their labour problem with a view to increasing production and thereby minimizing wastage. The women entrepreneurs

prefer to provide attractive gifts to the employees as second step, which ranks second. Executing labour contract and conducting time/work study/waste management rank third.

Table 6 (a) : Nature of marketing problems faced by the women entrepreneurs

Sr.	Nature of Marketing Problems	No. of WE	% (to 29)
1	Storage problem	03	10.34
2	Transportation problem	04	13.79
3	Exploitation of middlemen	04	13.79
4	Problem of credit sales	13	44.83
5	Problem of demand	20	68.97
6	Problem of access to market	04	13.79
7	High marketing costs	07	24.14
8	Lack of market information	06	20.69
9	Unhealthy competitors	16	55.17
Total - -		77	265.51

* Source: Field data.

Note: Total exceeds 29 and 100 per cent due to multiple answers.

From the study, it is observed that 24.17 per cent women entrepreneurs face marketing problems. It is revealed that lack of demand is major marketing problem of the women entrepreneurs. They opined that the excess number of suppliers and low price

are the two main reasons for the poor demand. Rivalry from competitors by way of reduced prices ranks second and problem of credit sales ranks third. Again the women entrepreneurs face the problem of delay in collection of debts due to credit sales.

Table 6 (b) : Steps Taken to Solve Marketing Problems

Sr.	Steps Taken to Solve Marketing Problems	No. of WE	% (to 16)
1	Product differentiation	9	56.25
2	Product diversification	2	12.50
3	Innovative advertisement	4	25.00
4	Participating in trade fairs/ exhibitions	3	18.75
5	Adoption of own storage facility	2	12.50
Total --		20	125.00

* Source : Field data.

Note : Total exceeds 16 and 100 per cent due to multiple answers.

Table shows that in Maharashtra, the women entrepreneurs adopt the technique of product differentiation as the first step to solve their marketing problem (as given by 56.25% women entrepreneurs). They also go for product

diversification which ranks second, with a view to overcoming poor demand. The women entrepreneurs also feel that innovative advertisement is the best step to solve the marketing problem.

Table 7 : Nature of Training Problems of the Women Entrepreneurs

Sr.	Nature of Training Problems	No. of WE	% (to 28)
1	Lack of time to attend the training	17	60.71
2	Huge training cost	08	28.57
3	Long distance to the training centers	08	28.57
4	Not properly organised	06	21.43
Total -		39	139.29

* Source : Field data.

Note : Total exceeds 28 and 100 per cent due to multiple answers

Lack of time to attend the training, huge training cost and long distance to the training centres are the major problems of training faced by the workers entrepreneurs in Maharashtra.

Table 8 (a) : Nature of Personal Problems of the Women Entrepreneurs

Sr.	Nature of Personal Problems	No. of WE	% (to 112)
1	Limited time to take up dual role	25	22.32
2	Family responsibilities	70	62.50
3	Opposition from the family	31	27.68
4	Lack of experience	15	12.39
5	Fear of taking risk	18	16.07
6	Sexual harassment	14	12.50
7	Health problems	08	7.14
8	Lack of public contacts & Restricted mobility	19	16.96
9	Social customs	25	22.32
Total -		225	200.89

* Source : Field data.

Note : Total exceeds 112 and 100 per cent due to multiple answers

'Family responsibilities' is the basic personal problem of the women entrepreneurs. 'Opposition from the family' ranked third. The next important problem, as perceived by the respondents is 'limited time to take up dual role'. While women entrepreneurs face the problem of the limited time to take up dual role and social customs, which is ranked next.

Table 8 (b) - Steps Taken to Solve Personal Problems by the Women Entrepreneurs

Sr.	Steps Taken to Solve P. Problems	No. of WE	% (to 102)
1	Sharing family response with children	21	20.59
2	Relying on servants/parents	42	41.18
3	Consultancy services from Gos./FIs/NGOs	08	7.84
4	Seeking advice of friends/relatives	15	14.71
5	Winning the support of husband	22	21.57
	Total --	108	105.88

* Source : Field data.

Note : Total exceeds 102 and 100 per cent due to multiple answers

Women entrepreneurs rely on servants or parents to solve their personal problem which is ranked first. They also share family responsibilities with children as a second step to solve their personal problems.

Conclusions and Suggestions :

1. Socio-economic profile - Most of the women undertake entrepreneurial activity at their young age. Most of the women entrepreneurs don't possess technical knowledge. Unmarried women taking entrepreneurial activities are very negligible. Women belonging to SC/CT community don't involve themselves in entrepreneurship. Women having entrepreneurship family background accept entrepreneurship. The family pattern of women entrepreneurs is nuclear mostly. The motivating factor for women entrepreneurs is the need for independence. They are also influenced by the desire to do something.

The knowledge of socio-economic profile of women entrepreneurs is of great help for understanding the problems of women entrepreneurs and in formulating future policy for the government and financial institutions. Support should be given by the parents for unmarried women for undertaking entrepreneurship activity. Special efforts to motivate the women from SC, ST category should be made by the Govt. Women from joint family should be given strong support.

2. Financial Problems - Majority women entrepreneurs face the financial problem and others suffer from the scarcity of raw material. Lack of collateral security and gender discrimination are the basic reasons for the women entrepreneurs for not getting adequate credit from financial institutions. Women also face the problems of shortage of power and transportation. The problem of rigid government rules is very negligible for them.

The banks and other financial institutions should provide liberal and cheap credit facilities for women entrepreneurs and speedy disposal of their financial proposals should be made. Periodical meetings should be organized to enable the women entrepreneurs to get clear ideas about financial schemes and to redress their grievances. Senior authorities should examine the causes of rejection of loan applications particularly in case of women entrepreneurs. They should be provided with adequate credit not only at the initial stage but also subsequently for expansion, diversification and modernization. Introduction of credit guarantee schemes for the women entrepreneurs by the Government would also enable the genuine women entrepreneurs to utilize required credit from banks without any collateral.

3. Production Problems - High production cost is the main production problem faced by most

of the women entrepreneurs. The main reason for that is high cost of inputs mainly of raw material. The non-availability and seasonal nature of raw materials create problems to women entrepreneurs. Frequent power failure is also ranked as the second the problem, which leads to loss of production time, loss of revenue, increased expenditure, abnormal idle time, etc.

Women entrepreneurs should be made available easy and cheap supply of raw material. Women should make use of technology for storage of seasonal raw material.

4. Labour problems - High labour absenteeism and more labour cost are the major labour problems faced by the women entrepreneurs. Women entrepreneurs should give more importance to research and development for reducing the reliance on labour. They should use piece rate system, flexi working hours, job sharing and job rotation, leave travel concessions, involvement in decision making etc. for giving incentives to the employees.

5. Marketing Problems - Lack of demand is major marketing problem of the women entrepreneurs. Excess number of suppliers and low price are the two main reasons for this. Rivalry from competitors and problem of credit sales are also major problems before them.

Marketing assistance should be provided to women entrepreneurs in the form of both financial and technical in selling their products at national and international market.

Women entrepreneurs should be given opportunities to participate in trade fairs/ exhibitions by giving preference and also giving concession in stall rent. They should be provided marketing training. Focussed strategy should also be used by women entrepreneurs to avoid competition.

6. Training Problems - Lack of time to attend the training, huge training cost and long

distance to the training centres are the major training problems faced by the women entrepreneurs. Govt. should start special training centres in every district for women entrepreneurs. Special concessions should be given to women in training fees.

7. Personal Problems - Family responsibilities is the basic personal problem of the women entrepreneurs. Women also face the problem of 'Opposition from the family' and 'limited time to take up dual role'.

Encouragement on the part of the society is essential to promote more and more women to enter this field. The family members of the women entrepreneurs should be sensitized on the issues to provide support, help, sharing of domestic activities, adjustment etc. for the effective functioning of their firms. Government should introduce a pension scheme for women entrepreneurs and this may attract more women to the entrepreneurial field. Women entrepreneurs should relieve themselves from heavy workload by outsourcing and by using technology for household work.

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Service Quality Management : A Literature Review

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Abstract :

Service quality becomes the crucial issue for hospitality industry and the theory of service quality has evolved over long period of time through testing and trials in service sector. . The demanding customers and increased sense of customer satisfaction led to the use of the new service parameters making hoteliers to implement quality management as an effective aid. During the last few decades there is phenomenal change experienced in the hospitality industry and the reason being is Service Quality. Knowing that both service quality and value is difficult to measure, hospitality companies heavily rely on guest's quality perception and expectations. It could be achieved by asking guest's questions related to expectations and their perceptions of the service quality through carefully designed surveys.

Various studies have been carried out to consolidate the dimensions of service quality and SERVQUAL has been accepted as well constructed instrument to measure service quality. The empirical research in development of service quality theory suggests that improved service quality plays important role in overall customer satisfaction. Study would focus on various studies on Service Quality conducted by earlier researchers in an array of industries. Thus, present study is unique in the sense that it is new to Indian hotel industry. The paper explores the development of service quality theory and alternate scales of measuring service quality, its role in customer satisfaction and importance of SERVQUAL instrument.

Keywords: Service Quality, Dimensions of Service Quality, SERVQUAL, Customer Satisfaction.

Introduction :

Tourism and Hospitality industry has witnessed many changes over a period of time due to global expansion of tourism, changing patterns in customer preferences, industrialization, revolution in transport and aviation, etc. It has brought paradigm shifts in the operations of hospitality industry. The demanding customers and increased sense of customer satisfaction led to the use of the new service

parameters making hoteliers to implement quality management as an effective aid. During the last few decades there is phenomenal change experienced in the hospitality industry and the reason being is Service Quality.

As the hospitality industry becomes more competitive which increases economic pressures and the industry continues to expand results in an obvious need to retain clientele as well as increasing profitability and therefore hotel's management strive to improve guest satisfaction and long-term revenues. The management professionals however often have limited understanding of paradigms of guest satisfaction, and the resulting effects it has on guest loyalty and financial performance. This research will discuss some of the variables of service quality resulting into guest satisfaction.

Designing service quality for hotels is an important issue in today's highly competitive world. There may

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be many resources available on the service quality management but rarely do they have consideration for customer requirements and their point of view in the study. Tourism and hospitality industry in Maharashtra forms an ideal example of market which could benefit from implementing service quality management.

The competitive environment in which hospitality businesses survive, the quality of service is an imperative mechanism used to achieve a competitive benefit. The quality is a difficult construct to quantify however the ability to measure quality is a key to assessing whether or not the industry provides the service consumers desire as consumers hold the key to business survival and success. The aim of this study is to investigate how closely consumer expectations of service, and administrator and employees perceptions of consumer expectations matched. It can be observed that there is a gap between managers' perceptions of consumers' expectations and actual consumers' expectations. The main implication of this research is to develop strategies which will meet consumers' expectations of service quality.

Research Methodology :

This study is expected to add to the existing body of knowledge and improve implementation of service quality. It would focus on various studies on Service Quality conducted by earlier researchers in an array of industries. Thus, present study is unique in the sense that it is new to Indian hotel industry. The study has undertaken with an objective to explore service quality dimensions in current scenario, to analyze the importance of service quality management in hospitality industry and to investigate role of SERVQUAL model in evaluating service quality.

This research explores the opportunities, challenges, risks and rewards of creating a holistic, end-to-end approaches to service quality management. The study is undertaken to understand the dimensions of SQM and components of quality. It also explores the opportunity of measuring service quality and finding any scope for further improvements in the established procedures.

This study is comprehensive covering of all the four major operational departments and its linkages through process based concepts of Service Quality Management.

Scope of the study also comprises the interests of Hotel Management - To adopt suggested model and processes of service quality management this may ensure higher customer satisfaction and retention of customer base. Study may also help in internal and external marketing for management. Hotel Employees: It will enable the employees of hotels to understand the importance of service quality management and inculcate the skills required to maximize customer satisfaction by enhanced participation.

Discussion ;

Service quality is defined as a comparison of customer expectations with service performance. The organizations with high service quality meet the customer needs and also remain most economical in terms of competition as improved service quality also makes the firm more competitive. High service quality is achieved by knowing operational process through identifying problems in service and defining measures for service performances & outcomes as well as level of customer satisfaction.

This study provides some background in sequence on the development of service quality though and its importance of service quality particularly relevant to hotel industry where enterprises where customer perceptions of service quality varies greatly at several levels & services within an organization.

The quality service movement is often accused of being merely slogans, fads, and "hot topics". In an effort to counter this assumption and continuously improve organizational performance, empirical research is needed.

Evolution of Service Quality :

Zeithaml V. (1981) has stated that Customers of hospitality often blame themselves when dissatisfied for their bad choice. Employees must be aware that dissatisfied customers may not complain and therefore the employees should seek out sources of

dissatisfaction and resolve them. Greenrooms Christian (1982) had illustrated that service quality is what differentiates hospitality establishments, lacking a clear definition of service quality. However, a few different suggestions of how to define service quality by dividing it into image, functional and technical components. Another way is to check service quality by determining its fitness for use by internal and external customers. In absence of a definition, it is widely accepted that service quality is wholly dependent on guest's needs and expectations. Knowing that both service quality and value is difficult to measure, hospitality companies heavily rely on guest's quality perception and expectations. It could be achieved by asking guest's questions related to expectations and their perceptions of the service quality through carefully designed surveys.

Parasuraman (1988) enlists the components of perceived service quality as Assurance, Reliability, Tangibles, Empathy and Responsiveness.

The five dimensions of SERVQUAL were used to study the service quality in service industry comprised of banking, tourism, and transport as well as hospitality industry. To make it more specific for hotel industry, the five dimensions were further divided into 22 components. This includes :

Tangibles : - Company has modern equipment;

- Company possesses visually attractive equipment and facilities;
- Appearance of staff;
- Visually appealing materials connected with service.

Reliability :- Realization of assured service;

- Reliability in customer problems solving;
- delivering the appropriate service from the first visit onwards;
- Providing the promised service at the promised time;
- Insisting on zero defect policy;
- Willingness to help customers,
- Willingness of personnel to respond to customer request.

Responsiveness : - Informing the customers about the time of service delivery;

- Prompt service delivery to customers.

Assurance : - Personnel who instill confidence;

- Customers feeling about dealings with the company;
- Courtesy of the personnel;
- Knowledge of personnel to answer the customer questions.

Empathy (understanding) : - Giving individual attention to customers;

- offering individual or personal attention to customers;
- The personnel focus on customers' interests;
- The personnel understand specific needs of their customers.
- Operating hours are convenient to customers.

SERVQUAL methodology insists on two sets of 22 questions, where the respondents are given the first set of 22 questions prior to service delivery to measure their expectations; the second set of 22 questions at the end of service to measure their experience, perception (attitudes) of consumers about the delivered service.

Parasuraman, Berry, and Zeithaml (1985) have introduced five specific dimensions of service quality which apply regardless of the service industry viz. assurance, responsiveness, tangibles, empathy and reliability. They have devised a scale called SERVQUAL since there were several models (scales) for the measurement of service quality and the satisfaction of customers, they are often too generalized or ad hoc, and as such hard to apply in the hospitality industry. On other hand TQM, which began before all in companies that dealt with products, due to the specificities of services due to factors such as impalpability, inseparability from provider and receiver of service, and perishability, a specific concept called SERVQUAL (SERVICES QUALITY Model) was created.

It has been a point of discussions amongst scholars that service quality has significance in a people-oriented industry such as hospitality. And wide range of research is undertaken all over world. However, management-employee variances in the perception of Service Quality tenets have been studied less. The study conducted by Ross (1995) has examined

hospitality industry employee Service Quality tenets, employee perceptions of Management Service Quality principles with major motivational and personality. The study has found that there are numerous differences ideals such as Practical Experience, Being Apologetic, Understanding, genuine, frank and the Formal Qualifications. the analysis involving the divergent ideal of Genuineness revealed significant findings and concluded in two clear sets , a Negative group where perceived management ideals exceeded employees' ideals on hand and a Positive group where employees' ideals exceeded perceived Management Service Quality Ideals on other hand.

The discrepancies in the consumer evaluation of service quality are largely defined by Gap. The basic gap is the Consumer gap, which emerges as the discrepancy between customer expectation regarding service and customers perception of the service delivery in the hotel. Customer gap is the outcome of one of 4 gaps of as service quality, which emerge as certain discrepancies within the design and delivery phases of service to the consumers. Following are the Five key discrepancies were identified by Parsuraman et al (1985):

- Gap 1 - the gap between management perceptions and customer expectations.
- Gap 2 - the gap between management's perception of what the customer wants and specifications of service quality;
- Gap 3 - the gap between service managerial quality specifications (quality, standards, forms of delivery) and the actual delivery of the service;
- Gap 4 - the gap between service delivery and what the company promises to the customer through external communication. All four influence the total perception of service quality and customer satisfaction;
- Gap 5 - Represents difference between customers' expectations regarding the service and their perception about the specific service. The last gap is the result of all the previous gaps.

However during the continuous research in the field of service quality, Parsuraman et al (1985) have developed SERVQUAL model with 10 determinants of service quality which includes reliability, responsiveness, competence, credibility, access, courtesy, communication, assurance, empathy and tangibles. The subsequent studies in the SERVQUAL by Parsuraman et al (1988) modified the determinants and specifically derived five dimensions of service quality as follows :

- Tangibles - Appearance of infrastructure, staff, communication material & machinery;
- Reliability - Ability to perform the promised service dependably and accurately;
- Responsiveness - Willingness to help customers and provide prompt service;
- Assurance - Knowledge, courtesy and trustworthiness of the personnel;
- Empathy (understanding the customer) - Making the effort to know customers and their needs.

As hospitality customers being well travelled and more seasoned as well as conscious about quality, a hotel's organization should implement strategies providing higher levels of service quality. The research article published by Chacko (1998) discusses the weaknesses in present organizational structure and focuses on the hotel organization open for creation of an environment having service quality is the organizational driver, making hotels to develop service quality as a real competitive advantage.

Sharma (2004) has confirmed that accommodation happens to be the basic requirements of tourism industry. It mainly determines the city's ability to attract visitors and without this basic infrastructure, tourism cannot be promoted. The management of hospitality industry not only effects its own growth and development but the tourist industry as a whole.

Mersha & Adlakha (1992) have pointed out that the hotel guests have well-conceived identification of service quality, and that certain quality attributes are considered important for most types of services. Interestingly, it is found that few attribute to have

effects same to Herzberg's hygiene factors, i.e. the absence of certain attributes may lead consumers to observe service quality as poor. However, the presence of these attributes may not considerably improve the perceived quality of the service. This also suggests that most guests would be willing to trade some expediency for a price break, and that the actions, skill level and performance of service employees are key determinants of perceived quality of services. This is a major challenge for service managers, who search for improvement or maintenance a high level of service quality.

The delivery of quality in goods and services has recently gained importance and especially the services marketers' experience sort of difficulty in interpreting quality as even after handsome research in field, some methodological and conceptual faults are remained. Mattson (1992) argued for a formal value approach to service quality to become a satisfaction process incorporating and matching of value-based constructs of ideal standard and experienced outcome through negative disconfirmation of determining satisfaction leaving aside negative cognitive bias.

Macaulay & Cook (1994) have evaluated the service quality in Anderson Cancer Center using SERVQUAL instrument which was administered to patients with different ailments which has involved comparing expectations and perceptions, the waiting times & billing accuracy are considered by patients as significant problems. Even it is found that there is are two extremes of service quality within the sample clinics and this was due to differences in patients' expectations of service quality and not rather than differences in perceptions. It strongly suggests that customer expectations may impact strongly company's evaluation of its service quality.

Stuart & Tax (1996) have found that service firms take little effort in planning for service quality. The costs associated with poor service quality and it's planning results in lower profits as a portion of the "cycle of service failures" and evaluation of quality planning technique or quality function deployment suggest suitable modifications which would prevent

service failures. The research also illustrates the potential for the quality function deployment process as an effective tool at both the strategic planning level and the tactical level using the front-desk activities in a hotel as an example.

There are various definitions of quality and variety of possible interpretations is seen in the service sector. Still, quality is considered as a important factor in attracting and retaining customer. Galloway & Ho (1996) have described a model of service quality based upon operational issues which are directly relevant to staff training & skills which are developed on three important dimensions of hard/soft, outcome/process and objective/subjective. It mentions that the benefits to the organization by matching customer expectations with staff skills has resulted in increased level of job satisfaction for staff.

Asubonteng et al (1996) have mentioned that in the view of fierce competition and intense concerns about environmental factors, service quality has become more important. If service quality is to become the foundation of marketing strategy, the firms should be able to measure it and to make it possible; SERVQUAL has become a very popular instrument. Marketing literature and the industry has been exposed very widely to it with almost accurate analysis of service quality.

The evaluation of service quality has become an important contemplation for hotel managers and researchers. The central service quality skeleton shows that consumers consider both their own expectations and service provider performance when evaluating service quality. The comparative analysis to assess the psychometric properties and diagnostic usefulness, Brown (1997) reviews problems in the reading of service quality measures and presents the additional indicative meaning imputed to service quality scores and has developed measurement norms.

A research paper of Kuei & Lu (1997) presents a synergy and integration of marketing and operations for continuous quality improvement in a service setting and also discusses responsibilities, improvements and measurements of service quality.

It has advocated amalgamation of service quality improvement tool (QFD) and service quality evaluation i.e SERVQUAL and suggested that this synergy and integration of systems tools, and concepts would be the aim of the organization in achieving service quality.

Pariseau & McDaniel (1997) in their study about business schools have mentioned that Total quality management (TQM) improves quality while reducing costs but since it involves fact-based continuous improvement, data need to be assessed for level of student and faculty satisfaction. SERVQUAL is used to assess both the quality and importance of each of the dimensions: assurance, reliability, empathy, responsiveness and tangibles, to tests agreement between the views of faculty (providers) and students (consumers). It has strongly established that SERVQUAL may be used as for benchmarking performance in order to improve service quality.

Min & Min (1997) have mentioned in their research concluded that with escalating competition in the hotel industry, a growing number of hotels have given service quality their top priority for sustaining competitiveness and to do the same, hotels needs to develop reliable standards for service quality which requires to comparing the hotel's service performance with that of the service leader and examine its performance continuously through competitive scales. In doing so; hotels have proposed the use of competitive gap analysis through analytic hierarchy process. These methods may help the hotel manager design viable service improvement strategies in the ever competitive industry. This research also highlights the usefulness of the proposed benchmarking methodology through case of Korean luxury hotels.

Dwayne et al (1997) conducted study and examined service quality expectation differences among three stakeholder groups involved in the interaction of tourists, employees and management of service providers to degree to which service climate may explain these differences. It revealed that very few management barriers have considerable impact on managers' perceptions of tourists' expectations and

most of employee barriers drastically impacted frontline employees' perceptions of visitors' expectations.

The effectiveness of SERVQUAL in measuring service quality in Education service is studied Galloway (1998). He has mentioned that Quality being an elusive concept, particularly in public service with variety customers and stakeholders, the staff and students, it is found that SERVQUAL does stand fit in this context and the expectation contributes nothing to the predictive value of the data. There exists significant gap in the factors of perceived quality between internal and external customers, arising from the degree of dependence as well as nature of contact between the provider and receiver of services which may be more a general phenomenon about customer characteristics in both public and private sectors.

Analyzing over 800 critical incidents across six service industries, Wels-Lips et al (1998) finds that occurrences of positive incidents are largely driven by understanding the customers, by responsiveness and frequent communication with customer. The absence of reliability, competence, credibility functions as dis-satisfiers driving the occurrence of negative incidents. It is found that two dimensions which emerge from multiple correspondence analyses are service system versus service staff, and customer initiative versus staff initiative further which suggests that the service system is associated with negative incidents, and service staff with positive incidents.

The technical framework within which quality assurance systems develop is well recognized. Likewise, although not as well recognized, the non-technical framework which affects quality assurance systems is nevertheless an important element. The awareness of the technical and non-technical interface in quality system is never acknowledged and taken as separate entities. Pheng (1998) in his research has categorically emphasized on the interface between the technical and non-technical framework that must be acknowledged to achieve quality management effectively and system which links these two frameworks must be recognized for service quality.

According to services marketing literature the concept of service loyalty requires conceptual and empirical investigation. Ruyter et al (1998) in his paper has developed a theoretical framework for service loyalty consisting of three dimensions: price indifference loyalty; preference loyalty; and dissatisfaction response. As we focus on the role of service quality and costs as background to these types of loyalty, a study of a large sample of consumers in five different service industries provide evidence for service loyalty as a construct comprising three-dimensions. Further the influence of service quality on service loyalty varies notably per industry and therefore findings from one industry cannot be comprehensive to other industries. The study also establishes that in industries known for relatively less switching costs, customers will be somewhat less loyal in comparison to services with higher switching costs.

Research paper presented by Tschohl (1998) demonstrates the value of a systems approach in considering performance management at an operational level in the hotel industry. The concept of systems & techniques are applied in a hotel check influences between various subsystems. This study has suggested importance of having meaningful and appropriate performance measures in the service delivery system design, which would create perception of organizational service quality.

Effectiveness of the SERQUAL - traditionally an instrument for measuring service quality and proven as an effective tool in assessing customer perceptions of service quality in restaurants model was tried and tested by Bojanic & Rosan (1998) through their extensive research on restaurant business. The examination of the type of the association between service quality perceived by consumers and its service determinants is carried out. It is discussed, and a demonstration on use by restaurants in assessing quality service is included has proved SERVQUAL as an assessment tool include matching and managing customer expectations and managing the physical design of the products. It also included service customer's education and developing a total quality management program as well as achieving

continuous quality by use of automation, timely review of the property, personnel and procedures of operation where by restaurant can manage their strengths and weaknesses effectively.

Service organizations are determined to improve the service quality by various management techniques. Redman & Mathews (1998) have examined a variety of management practices including human resource management (HRM), used in service sector. On assessment of their potential impact on service quality and total quality management (TQM), most of the techniques are identified as being potentially supportive of quality improvement but few in particular to those closely associated with minimization of cost and the less subtle forms of managerial control posed danger to the improvement process.

It is a known fact that profits are directly linked to service quality and productivity especially in service operations where customer has active role to play in delivery of services and has direct impact not only on the service provider but on the entire network. This highlights the assessment of returns on relationships in relationship marketing, the concept introduced by Gummesson (1998).

Analogical study between internal and external service quality put forward that assessment of internal quality is independent of differences between organizational customers and real customers. Auty & Long (1999) have detailed research into organizational networks has stressed upon environmental and atmospheric factors in exchange activities. The gaps in service quality arise due to conflict between departmental and organizational loyalties. However, Parsuraman, Zeithaml and Berry suggests that organizational power-struggles and lack of communication lead to misunderstandings about the priorities and resources available for internal service exchanges and improvement are possible when there is closer interaction between "warring" but yet dependent departments. Therefore, an overarching need for organizational goals to take precedence and for limited resources to be allocated according to the vital needs of the external customer.

Research on service quality has stated that the relationship between perceived service quality and service loyalty requires empirical and conceptual elaboration by further studies. Research undertaken by Bloemer et al (1999) focuses on the enhancement of a level for measuring service loyalty dimensions and the associations between magnitude of service quality and these service loyalty dimensions. The study suggest four dimensions of service loyalty ie. Price sensitivity, word-of-mouth communication, complaining behavior and intention of purchase. On individual dimensions there exists an intricate pattern of service quality-service loyalty relationships with significant differences within industries.

Sinha & Ghoshal (1999) have posited in their study that there is hardly any difference between manufacturing and service industries with the increasing competition of the marketplace since services have become integral part of products making all business is to be service-oriented and aimed at satisfying growing customer needs. Most of the companies are adding capacities by adapting to advanced technology and reducing cheap material imports. Gaining competitive advantage remains in providing superior value to the customer through excellent customer service with the product at a lower delivery cost. The study concluded that customer service is important factor to retain and acquire customers in competitive markets.

To assess the perceptions of service quality in hotel industry through perspective of managers & tourists, the hotel managers, Tsang & Qu (2000) investigated the four gaps: between tourists' expectations and their actual perceptions; between managers' perceptions of tourists' expectations and the actual expectations of tourists; between managers' perceptions of a hotel's service delivery and tourists' actual perceptions of the service; and between managers' perceptions of tourists' expectations and managers' perceptions of their hotel's delivery of service .Study showed that tourists' perceptions of service quality provided in the hotel industry in China were consistently lower than their expectations and those managers overestimated the service delivery as

compared to tourists' perceptions of actual service quality. They concluded that Delivery Gap and Internal Evaluation Gap were the main reasons contributing to the service quality shortfalls in the hotel industry in China.

A comprehensive cultural construct was developed by Weiermair (2000) to explain and forecast tourists' behavior and judgment of quality. A regions value chain is depicted to capture the possible influence of culture and cultural values on tourism behavior. Cultural norms have an impact on both tourists' expectations and their perceptions of received service quality for any of the six service elements frequently employed in analysis of tourism. The service interaction in the context of a tourism culture is formed by four components: the national/regional settings of the tourist and the destination, the tourists' various subcultures and the organizational culture of tourism enterprises in the host country which helped in developing a differentiated approach to distinguish amongst global, national and sub-national cultural constructs.

Service quality in the tourism industry has been studied by many but still there exists a debate as to which measure has greatest validity. Two main research instruments are Importance-Performance Analysis (IPA) and SERVQUAL have been questioned and research has introduced measures that multiply SERVQUAL by Importance, and measure of just Performance (SERVPERF). The study presented by Hudson et al (2000) assesses these four main methods of measuring customer service quality by studying data obtained in cooperation with a major U.K. tour operator. It is found that though there was variety in the rankings of the different elements, the difference between these four methodologies could not be proved statistically.

Parsuraman (2000) has stated that companies involved in services industry must broaden their tests of productivity from the typical company-oriented perspective to a newer company-customer perspective. This latest approach may help reconcile conflicts i.e., the synergies between improving service quality and increasing service productivity.

Successful implementation of service quality can be drawn from a case study carried out by Longnecker & Scazero (2000). In their research, workers from two different organizations with similar systems, techniques and infrastructure were surveyed for company's quality program, however only one was considered as successful from quality point of view. The study also revealed that better attention is on human aspects were seen in successful organization which includes improved management support for quality, better communication in organization, implementation of corrective actions and better follow up of problems in quality.

Comparing the gap model with the performance model and investigating the direction of causality between service quality and satisfaction as well as examining the influences of some dimensions of service quality vary across service industry. Research by Lee et al (2000) across three service firms confirmed that the performance model appeared to be superior to the gap model. It also shows that perceived service quality is a predecessor of satisfaction and not the opposite. If tangibles appeared to be a more important factor in the equipment-based industries, the responsiveness is a more important factor in the people-based industries.

Studying the service failures helps organizations in improvement of service quality and improving long-term customer retention. Mack et al (2000) have examined consumer perceptions of their personal service failures experienced in the restaurant industry. It is found that a large percentage of the guests did not ignore the service failure and perceived the failure as major as well as judged the restaurant as pathetic in correcting themselves. This insists that the service provider should make every effort to identify failure points in the service delivery process and also the devise methods to prevent and recover which would save from negative customer perceptions and customer loss as well as potential negative word of mouth.

Rhoades et al (2000) in their research paper have addressed efforts in bringing up quantitative index of factors & characteristics which comprises quality

in airport operations & facilities from varied customer's perspective. It has shown and identified 12 broad factors that, in customer view affect the quality of operations at airport. The important factors are ground transportation, parking, shopping and restaurant services, capacity as well as the waiting area. Similar study may be undertaken for hotels and other accommodations.

Kandapally. J. et al (2001) have stated that expected services go beyond the essential services required for the company to stay in business and such services need to be offered to remain competitive. Over the year, expected services increases and guest becomes more demanding, requiring service provider to move beyond what is commonplace.

Farner et al (2001) have examined empirically the popular concept of internal customer service. Even if there is significant descriptive literature on internal service is available, till date there has been hardly any empirical assessment service quality. The concept of assuming coworkers as customers needs intuitive sense but there is still a difference in opinion among industry and institutes as to the true value of internal customer service on the external service quality. This study has used data of a large food and grocery wholesaler and examined the impact of internal customer service on external customer service. Farner et al finds that internal customer service seems to have a mixed and complex relation with external customer service.

Lawrence & McCollough (2001) have mentioned that lessons of quality management apply to services as well as products. Awareness also has been increasing that services, like products may be guaranteed as tools of implementing a total quality management orientation in the organization.

The nature of service and company's interaction with customer has been changed profoundly due to invention of technology; however on other hand it has some down side as well. Bitner (2001) in his paper elaborates on the opportunities that technology offers to develop new services and deliver it better, more efficient services to customers as well as the

contrasts and dark side of technology and services. However the paper suggests to company's driven by technology that even after changing many things, few things remain same. Consumers still demand quality service irrespective of firm's choice to structure the relationship. It is solely upon firms to adapt technology-based services that can provide the same high level of service matching customer's expectation in conventional service providers.

Theory building efforts in quality management have begun with bonafide efforts but services dominating the developed economies in the world, the studies have mostly focused on manufacturing firms. Research undertaken by Behara & Gundersen (2001) addresses this limitation by specifically studying quality management in service organizations. Through a survey of 170 US service firms; this study empirically developed and validated constructs for quality management in services. A comparative study has highlighted various distinct quality management constructs in services and has shown that other empirical studies have some gaps in the reporting of their constructs, advocating the need for theory building research about quality management in services and manufacturing.

On comparing traditional marketing models to service marketing models, Groonroos (2001) has stated that the most important characteristic of services is the fact that services are processes and goods since a service firm has no products, but only an interactive process. On other hand, the consumption of goods may be described as "consumption of outcome", the consumption of services may be defined as "process consumption".

In a research conducted by Siu & Cheung (2001) by using Retail Service Quality Scale to study the service quality delivery of a department store chain and its impact on consumption behavior, it is found that the impact of physical appearance and the policy are prominent on the overall perceived service quality and the future shopping behavior. Out of all service dimensions, physical appearance and policy have the major impact on the overall service quality and on future consumption respectively.

Service processes have different performance requirements than those of production processes because of their characteristics. Gunes & Deveci (2002) have found that reliability of service processes is taken into consideration in a verbal sense and regarded that "reliability is satisfied by delivering service to customers on time."

In terms of service quality, banking also have similar characteristics to other service sector firms. Study conducted by Aldlaigan & Buttle (2002) which comprises a four sampled three-phase quantitative study to determine a quantitative measure of functional & technical service quality. The study has developed and validated a new 21-item scale with four dimensions: service transactional accuracy, machine service quality service system quality, and behavioural service quality which helped in finding how customer evaluates service quality at organisational & transactional level, validating the scale suggests the high utility of in bank sector.

Trust being the key factor in the establishment of long-term relationships between customers and a firm is largely impacted by factors related to person i.e. empathy, politeness etc and related to offer such as promptness, reliability, competence, but varied across studies. In a research paper, authors Coulter & Coulter (2002) have conceived a "contingency model of trust" strongly advocating the effects of said variables on trust are impacted by length of the relationship. On testing this model in business context, it shows varied degree of impact in different market conditions.

In today's scenario in service sector which is using technology, web and automation on large scale, it is important to discuss the implementation on technology and its effects on dimensions of service quality. It is now possible to deliver service in a virtual environment with very little or nil human encounter creating environment offering different ways of service delivery. A research paper published by Voss (2003) examines present theories of service quality and management for new internet-based environment. Re-evaluation of two of the existing theories about elimination of human interaction as

well as automation in context of service quality and its dimensions has revealed the Web provides direct link between the customer and the service organization further suggesting that for the web, the accepted dimensions of customer service seldom fit the actual dimensions.

Li et al (2003) have stated that the ability of a company to achieve excellence in service quality is dependent on the determination of service attributes and their desired levels and also on the prioritization of service attributes. By using appropriate quality improvement indices within limited resources, an operational procedure to prioritize customer service attributes in a accurate simple and inexpensive manner need to attempted. Instruments to measure service quality for example, SERVQUAL, have stated the linear as well as symmetric relationship between gaps of service quality and the overall service quality. Further study on the asymmetric and nonlinear nature of this relationship helped in developing a model to advance utility theory into prioritization of dimensions and attributes.

Wirtz and Johnston (2003) in their article details the results of a series of in-depth interviews with Singapore Airlines (SIA) senior management about their views on success of SIA as a service champion and efforts in maintaining the leadership. The study suggests four major instruments which include importance of service quality as key feature, better knowledge of customers and their needs, eye for details and profits and continuous training and motivation to employees. These are key drivers of service and the forms the skeleton of service marketing literature.

Davidson (2003) has examined organizational climate and organizational culture in hotel industry and a study on causal link between good organizational climate and the level of service quality in a hotel and study explores the effects of organizational climate's integration into quality initiatives. There is a direct link between Climate, culture, service quality, hotel performance and service quality.

Research concerned with understanding the relationship between good service and profit is

conducted by Bates et al (2003) A holistic approach to check financial performance of those firms excelling in service delivery on others with poor reputation about service carried out in Britain and measured in terms of wealth, number of employees, turnover of employees in large or small firms are capable of becoming good or bad in service. It also revealed that better services are staff intensive and have yielded better profits per employee and have also gained better returns on equity and total assets than those with poor quality.

Dimensions of service quality have been neglected so far by researchers and much of the studies have widely accepted the measurements of SERVQUAL. However the debate about that SERVQUAL and its reflections of the service delivery process, study undertaken by Kang & James (2004) empirically examines the European perspective (i.e. Grönroos' model) signifying that service quality consists of three dimensions, image, functional and technical, image function being a filter in service quality perception. The results from the study revealed that Grönroos' model is rather a appropriate representation of service quality than that of American perspective and its limited concentration on the functional quality' dimension.

Focusing on the important issue of service delivery that is customer participation, study conducted by Rebecca et al (2004) explores the impact of two factors that are prominent in the service literature: customer participation and service expectation. Due to the interactive nature of services, customers frequently participate in the co-production of the service and also normally enter into the service with definite expectations about the service to be received. The survey argues that customers themselves contribute to service failure, owing to their role participative role in service delivery and the influence of their previous expectations about level of service.

According to Victorino et al (2005), the understanding of customers' choices allows managers to better design their service offerings and formulate corresponding operational strategies around customer needs.

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Kosar & Raseta (2005) have suggested that the definition of quality must be determined by demands of consumers and various domestic and foreign references comply with this attitude. Quality of product is the feature that makes it appropriate for consumption making quality being complex sets appropriateness to the intended purpose. As quality stands for an integral unity of product features, becoming product's measurement of usefulness or appropriateness to meet the consumer demand and conforming to it.

Kotler Philip (2006) explains that as against to features of physical products, the services are not given for pre-testing, neither it is felt or smelled before purchase making buyers look for some tangible evidence that will provide information and confidence about service. Something like the exterior of the restaurant or hotel is the first thing on arrival of the guest; cleanliness of the public areas etc provides clues about service. He has also mentioned that American society for quality control defines quality as the totality of features and characteristics of the service or product that bears on its ability to satisfy customer needs. He has also found that high quality builds loyal customers and creates positive word of mouth. It determines customer satisfaction, which affects repeat business, many studies have shown that it costs four to six times to create a customer as it does to maintain an existing one. Hotels that have more satisfied guests experience higher guest loyalty and perform better financially compared to their competition. The long-term success is based on guest loyalty and retention which consequentially results in future revenue.

Choudhary & Prakash (2007) have intensive study on prioritizing service quality dimensions and finding the right mix of other service quality dimensions by free listing of important service quality concerns for 16 services across the four service types and rank correlation. The two-step cluster analysis to reveal

natural grouping within a data set for each dimension has found that generalization of quality dimensions was not possible. However some generalizations within the service types were possible for different services.

As we are aware that service quality is very subjective and crucial to the satisfaction of the client. In order to satisfy the guest's expectations and ensure a position on the growing global tourist market, Jasmina (2007) has concluded that the application of the SERVQUAL model for the measurement of service quality has become essential for hoteliers. The results of the quantitative application this instrument provides managers with useful information for the assessment of expectations and perception of hotel guests, with an objective of learning about gaps in individual service quality dimensions. It is also confirmed that the use of SERVQUAL provides information about the dimensions of service quality which are important from customer point of view since hotel managers do not know the expectations of their guests because the dimensions of service quality they consider most important and which does not match those which are most important for the clients., The SERVQUAL model also provides the managers with a clear picture of the quality of the provided service as well as the needs, wishes and expectations of the guests.

Relationship between the service quality cues & the customer value as well as its internal composition is studied by Chang Hong-Sheng (2008) in their research conducted in Taiwanese hotel. Since value plays significant role in customer retention and providing value added services and products have become vital in current competitive market. As value is customer perception of service quality, service quality influences customer perception of value. Knowing the exact attributes which becomes the source of customer value and recognizing it for positioning the hotel helps the management of hotel in allocating the resources. Data analysis by various tests establishing regression and correlation has resulted in very interesting findings. It is found that there is direct impact of reliability and assurance on

functional value which includes improved customer belief through hotel security and transparency in transactions. The tangibles cues such as use of up to date equipments and well dressed staff have strong relationship with social value. Personalized service good understanding of customer needs satisfies customer to great extent which highlights the empathy and it influence on emotional value. Responsiveness through innovation and use of information technology influences the epistemic value as well as conditional value. These linkages between the service quality cues and the components of value facilitates the framework for designing appropriate service recovery programs and tool and become the ground for decision making at higher management level to make services more competitive.

Study conducted by Fernández-Barcala M et al (2009) to analyze important factors which influence the service quality is carried out on the guest feedbacks on service quality on a popular web portal. Considering the hotel price and its star classification as major determinants of customer expectations, it is observed that it impacts negatively on post use quality appraisal as higher the expectations of the consumers, greater is the probability of lower perception about service quality delivered. The price and the age of the facility also have negative impact on the assessment of quality. The guests who pay more on accommodation are generally more demanding and any short comings in the services or facilities results in negative feedback since the guest come with relatively higher expectations. Four major factors which highly influence customer expectations from hotels are hotel-star category, the location, promised services and the price. It is a known fact that high price signifies superior level of service quality whereas under pricing has relatively less effect on perception of quality. The star category system establishes the quality indicators and norms of the level, increasing with increased numbers of stars; however quality differs at different hotels of the same category. The services on offer have positive influence on the expectations as many of the services are not known or used by customers. The fourth factors i.e., Location of the hotel also

creates the expectations in the customers mind as customers expects higher quality from exotic locations. The analysis of data collected clearly establishes the relationship between the customer expectations and their perception about quality.

Blesic et al (2009) in their research on service quality at spa hotel have successfully used SERVQUAL and concluded that the realization of goals is apparent through services which suits guests needs and demands. To curtail the gap between the guest's expectations perceptions of delivered services, every individual in the organization should ensure that every time they serve guests, it gives them positive experience. The management should strive to make quality standards for service which are well defined and totally transparent. The attributes which forms quality dimensions such as meeting guests needs, punctuality in service, properly controlled coordination as well as social dimensions such as urgency of solving problems, positive attitude and providing individual attention to guests.

Until recently, it perceptions of internal and domestic tourist was not much understood by hotelier which resulted in awkward positioning of the hospitality products in Globalised world. A research conducted by Lu & Feng (2010) to investigate the service quality in China's hotel industry as perceived by both Chinese domestic tourists and international tourists and to explore the Variables contributing to the difference in the perceptions have provided significant knowledge. Study conducted across hundreds of star hotels has shown that there is no significant difference between Chinese and international tourists on all the dimensions of international chain hotels and independent hotels except for value since international tourists have rated international chain hotels significantly higher. It also shows that international tourists have perception that domestic chain hotels are significantly better than independent management hotels; however, Chinese tourists though rated international chains slightly higher on traveler's overall rating even though there was no significant difference any dimensions of service quality except value. The study also shows that international tourists have rated

international chains higher in terms of customer satisfaction than and Chinese tourists do not perceive the service quality of international hotels significantly higher than domestic hotels. This study has provided findings that are useful for formulating effective quality service strategies in order to satisfy the needs of international and Chinese tourists and has categorically emphasized on rendering personalized services and development of foreign language skills.

It has been observed that satisfactory service recovery is able to positively affect the image that a visitor will form of the destination. In some cases the irony is visitors are more satisfied with the destination than if they had not confronted a service failure in the hotel. After having conducted the in-depth interviews with tourists and hotel managers, it is found that there exists discrepancy in the answers of these groups in the areas of service failure and service recovery. Kuenzel & Katsaris (2011) in their study adopted a qualitative approach in order to examine the perceptions of different participants with an aim to figure out hidden parameters around the topic and to record the protagonists' behavior and their drivers. On a thorough examination of failures and its impact on tourists' image of the location, differences have been found between managers' and tourists' perceptions.

It is assumed that there may be definite relationship between service quality offered by hotel and loyalty of customers towards the firm as it is often thought as a key predecessor of customer loyalty. Many studies have found a positive link between service quality and customer retention. Further study in this regards identifies corporate image which may have direct or indirect influence on consumer loyalty. Corporate image is discussed as the perception of customer about service organization through its advertisements and other physical attributes. It is observed through many studies that those customers receive personal attention and higher services eventually become loyal to a certain organization. Kandampully et al (2011) have conducted research in Mauritius Tourism industry which establishes a relationship between Corporate image, service quality

and customer loyalty. This study has concluded that service quality has effects on corporate image which in turn directly influences the loyalty. This also shows that service quality itself has no direct influence on loyalty; however, along with other components which forms corporate image may have direct influence on customer loyalty. This adds altogether a different angle to fierce competition in hospitality industry.

From the empirical evidence through literature on customer satisfaction it can be easily deduced that it is very closely related to repeat patronage and customer perception about quality has been surveyed by various researcher and organization. However the study on hotels quality attributes and its effect on customer will to return to the same hotel is conducted by Emir Oktay and Kozak Metin (2011) by using structural equation model by a detailed examination of hotels features and services on customer's intention of repeat business. Through a well structured questionnaire, survey asking the consumers about four major services attributes of hotel which includes housekeeping, front office operations, performance of food & beverage service and willing employees, it is found that these are the most influential factors on customer satisfaction and revisit to the hotel. The relative importance of these factors if listed in terms on significant effects on customer perception front office operations becomes most noteworthy due to quick check in check out and well behaved staff. This is closely followed by descent & well mannered employees with whom customers could interact easily which significantly increased the chances of customer's revisit. The third significant factor was housekeeping with its quality of furniture and attractive interior of hotel rooms being very appealing. The last factor becoming significant in creating customer loyalty is food & beverage service with distinguished menus, quality of food & beverage and presentation of it forming an attraction. The research concludes that there is need of managing services and its marketing and continuous performance evaluation of hotel services on service quality parameters.

A study conducted on insurance sector by Prakash et al (2011) on systematic approach for modeling &

evaluating service quality and implementation through policy planning and improvement programs. A comparative study of various service quality models by effective use of neural networks and its most important element has confirmed that the Performance - Expectation Gap is best suitable for evaluating service quality as it outperforms the other techniques and this approach can be used in any sector or industry. Though it is very difficult to specify the exact constituents of service quality, major elements can be identified by varying degrees of importance for the customers to evaluate perceived service quality by comparing perceived performance with expectations.

The efforts taken to measure hotels' service quality performance by Yilmaz Ibrahim (2009) in star hotels through Performance only measure was from customer perspective. It has established that Hotel customers expect highly improved services in all service quality dimensions but on the other hand have lower scores for perceptions in tangibles which means hoteliers need to improve upon physical infrastructure and material associated with including appearance of employees. Empathy being the most significant in making predictions about customers' evaluations of service quality.

Narangajavana Yeamdao et al (2008) have found that there exists a definite relationship between the service quality & performance of hotel. A canonical correlation analysis indicates that improved service quality has made significant and positive changes in the hotel's performance as it has been observed that service delivery, improved physical infrastructure and image component has increased revenue through non-room sales as occupancy and sales per room was insignificant. However, significant change occurred in room revenue by improving the service competencies of employees and facilities offered at room. This suggests that higher room revenues can be achieved by continuous improvement in hotels' tangible assets which also includes facilities and surroundings. Upgrading service competencies of employees i.e. improved intangibles results in increase of non-room revenue.

The study conducted by Loizos and Lycourgos (2006) on expectations and perception of hotel customers have shown there is a gap between customer expectations and perceptions in context of the quality of service as in many occasions the customer expectations of service quality are not met by hoteliers. It also proves that assurance, responsiveness and reliability are the most important dimensions and require improvement in the professional; service attitudes amongst staff members. Most of the hotels could satisfy the tangible aspects whereas larger gaps in expectations and perceptions in intangibles show that hotel service delivery does not match the expectations.

As described by Min Hokey & Min Hyesung (2005) that it is always necessary to improve continuously as no practices can help the hotel to sustain for longer unless it looks for improvement. This requires understanding customer expectations as on a regular basis as there seems to be discrepancies between employee's perception of service quality and that of guests as hotel staff still not realized the significant elements which are important for customers. It is of prime importance for hotel to be fully committed for continuous improvement and making employees understand those service quality elements which contribute to impression of service.

Apart from five well-known dimensions of service quality, Qu & Yung (2007) have emphasized on four dimensions in Hong Kong hotel industry. It is suggested that staff service quality, reliability, augmented service quality, room quality were most important dimensions in predicting the service quality. Since most of the hotel products are homogenous in nature, the service facilities provide the differentiator. Further it is also suggested that personal interaction with hotel employees also contributes in service delivery and customer satisfaction and loyalty as hotels are dependents on service employees handling customer requests. Hoteliers need to identify customer expectations which make them better in service performance in the competitive markets.

In an attempt to understand the constructs of service quality in public sector Rhee Seung-Kyu and Rhab

June-Young (2009) have established significant relationship between service quality and customer satisfaction. It has been found that there are certain attributes which leads to satisfaction & dissatisfaction of customers. The customers benefitted at large by service delivery tend to be satisfied than that of those who could not be benefitted completely. The study on attributes of outcome quality, design quality as well as relationship quality have shown important links to customer satisfaction as end customers view process quality and outcome quality as the most important qualities, on other hand others have found design quality and relationship quality as most important factors.

Conclusion :

A careful observation of earlier studies revealed that SQM studies have provided deeper knowledge on various dimensions of service quality. Further, it shows that adoption of SQM models as a tool of measurement suggest that Service standards and compliance strategies are especially critical for this industry to ensure customer satisfaction and repeat business. Such strategies limit negative impacts on reputation of the hotel organizations. All these issues have been partly addressed in these studies. Previous research also suggests that a comprehensive consolidation of SQM innovative techniques is widely acceptable in hospitality organizations and effective quality oriented service processes leads to higher customer satisfaction.

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Credit to Deposit Management of Commercial and Co-operative Banks in Goa : A Study

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Abstract

The present study is an attempt to examine credit to deposit management done by public, private and co-operative banks in the state of Goa for the period of twelve years. The study tries to look at growth of deposits with the banks and also tries to understand how credit deployment is done by the banks. It also tries to study the Credit to Deposit ratio of the nation and the state of Goa and tries to project the difference between the two. The study concludes that there is lots of difference between the Credit to Deposit ratio of the nation and state and suggests some measures to overcome it.

Keywords : Deposit Management, Commercial Banks, Co-operative Banks.

Introduction :

Banking occupies an important place in the framework of every economy. The character of banking keeps on meandering through time and the working of the commercial banks. In its native form, banking is as old as the authentic history and the origin of modern commercial banking is traceable in ancient times. The New Testament mentions about the activities of the money changers in the temples of Jerusalem. In ancient Greece, around 2,000 B.C. the famous temples of Ephesus, Delphi and Olympia were used as depositories for people's surplus funds and these temples acted as the financial agents until public confidence was destroyed by the spread of disbelief in the religion. Traces of credit by

compensation and by transfer orders were found in Assyria, Phoenicia and Egypt before the system attained full development in Greece and Rome. In India, the ancient Indus Scriptures refer to the money - lending activities in the Vedic period. In India during the Ramayana and Mahabharata eras, banking had become a full-fledged business activity and during the smriti period which followed the Vedic period and the Epic age, the business of banking was carried on by the members of the Vaish community. Manu, the great law-giver of the time speaks of the earning of interest as the business of Vaishyas. The banker of Smriti period performed most of those functions which banks perform in modern times. Such as accepting of deposits, granting of secured and unsecured loans, acting as their customer's bailee, granting loans to kings in times of grave crisis, acting as the treasurer and banker to the state and issuing and managing the currency of the country. Indian Banking Regulation Act 1949 defines Banking as "Accepting for the purpose of lending or investment of deposits of money from public repayable on demand or otherwise, and withdrawable by cheques, draft, order, or otherwise". Bank is an institution which deals in money and credit. It accepts deposits from the public and grants loans and advances to those who are in need of funds for various purposes. Banking is an activity which

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involves acceptance of deposits for the purpose of lending or investing.

In addition to accepting deposits and lending funds, banking also involves providing various other services along with its main banking activity. These are mainly agency services, but include several general services as well. A banker is one who undertakes banking activities, accepting deposits and lending money for different purposes.

Banking in India :

The first joint stock bank was established in 1786 in the name of General Bank of India. Later the Bank of Hindustan could continue only up to 1806, while the other two banks had failed earlier. Then came the era of 'Presidency Banks'. With the sanction of the British Parliament, the Bank of Bengal (New) was established in 1809 as the first Presidency Bank. One-fifth of its capital was contributed by the State and rest by the East India Company. This was followed by the establishment of the Bank of Bombay in 1840 and the Bank of Madras in 1840 as Presidency Banks bringing their total number to three.

The presidency banks continued up to the year 1920. The Imperial Bank of India came into existence on 12 January 1921. It acted as a primitive central bank of the country, as a treasurer of the Government, as an agency of note issue and as bankers' bank. With the passing of the Reserve Bank of India Act, 1934, the Reserve Bank of India came into existence on 1 July 1933 and consequently the Imperial Bank was stripped of several central banking functions which it was exercising till then. Thereafter, it functioned as the leading commercial bank of the country and agent of the Reserve Bank of India. It became the first public sector commercial bank of the country and rechristened as the State Bank of India from 1 July 1955. Eight banks set-up by the erstwhile Princely States of Bikaner, Jaipur, Indore, Mysore, Patiala, Travancore, Hyderabad and Saurashtra joined the State Bank of India group in 1959 as its subsidiaries.

The post-Independence era has been addition of several new chapters and attainment of several milestones in the field of Indian banking. The wave of bank nationalization swept the country in the late sixties and on 19 July 1969, 14 leading joint stock banks were nationalized bringing 80 percent of the country's banking business under public sector. Again on 15 April 1980, six major joint stock banks were nationalized. The public sector banking establishment of regional rural banks, co-operative sector banks, land development banks, industrial development bank and an export-import bank have added new dimensions in the banking industry. The Reserve Bank of India is well coordinating the banking activities and regulating the currency and credit according to the economic and financial needs of the country. As on 31-3-2012, there are 20 nationalized banks, State Bank of India and its six associate banks with a total deposit of Rs 5001743 crores and total advances of Rs 3878312 crores, 15 old private banks and 7 new private banks with a total deposit of Rs 1174587 crores and total advances of Rs 966418 crores, have been serving credit and financial need of the people of India.

Banking of Goa :

Goa was liberated from the Portuguese regime yoke on 19th December 1961, and remained union territory along with Daman and Diu for several years; Goa was elevated to the status of 25th state in the Indian Union on 30th May 1987. It has a geographical area of 3702 Sq. Kms and a population of 14.67 lakhs (2011 census). The state is divided into two districts (North and South Goa) and twelve talukas. This state has the highest per capita income in the country and the second lowest with the respect to poverty ratio. Tourism, agriculture, industry, mining, construction, banking, trade and fishery are the main stay of the Goan economy. Goa with its unique natural beauty has emerged as one of the best and the most attractive tourist distinctions in the world.

Banking as an integral part of tertiary sector has made a remarkable progress and expansion in the

state of Goa. The banking system in the state is broadly comprised of SBI and its associates, nationalized banks, private banks and co-operative banks. The average population per bank branch office is the lowest in India being less than 3000 as against the national average of around more than 16000. The banking sector in the state has recorded an excellent deposit growth and has the highest per capita deposit as compared to the per capita deposit of the banking sector as a whole in the country. The credit to deposit ratio is the lowest in the state as compared to the C-D ratio of the banks across the country. As on 31st March 2012 there are 586 bank branches consisting of 77 branches of State Bank of India and its associates, 290 branches of public sector banks, 96 branches of private banks and 123 branches of cooperative banks .

Literature Review :

The studies done are Udeshi (1989) observed that funds management has become difficult due to large network of branches, diversified business and increasing competition among banks. Mishra P. (1993) stressed on better credit mix, deposit mix, increase in non-fund revenue and control over non-performing assets for improving the banks' profitability. Verma and Malahotra (1993) suggested for improvement in capital base of the banks, expansion of bank resource base, tapping the deposits from rural and semi urban areas and deploying them profitably. George Igbojuba (1997) studied what methods and strategies banks use in attracting optimum deposits and subsequently how the credits are evaluated in Nigeria. M. R. Shollapur & Y. G. Baligatti (2010). examines the profitability of funds management of the select Indian banks with a cost-benefit perspective. Kargi (2011), Credit creation is the main income generating activity of banks. Planning Commission Report on Goa (2011), pointed that strengths and weaknesses of Goa's banking system are high per capita income leading to high per capita deposits and growth in banking infrastructure and bank penetration in the country. Nitin Kumar (2011), Credit deposit ratio (CD ratio)

is an elementary indicator of how efficiently the deposits are mobilized and is utilized to carry out investment and capital formation activities. A high CD ratio is usually associated with higher investment and growth. Deepak Mohanty (2011), Goa has one of the best banking services in the country. Lead Bank Report (2011), A Special Task Force (STF) committee is set up for improvement in C: D ratio of State of Goa. Venkatesan S. (2012) made to empirically evaluate the trend and growth in deposit mobilization of scheduled commercial banks in Tamil Nadu during the period from 1999-2000 to 2008-2009.

Importance :

The two main activities of banks are accepting deposits and giving advances. Size of deposits and advances play an important role in effective functioning of the banks. Cost of deposits and deployment of the same as will decide the revenue of the banks. The success of banks depends on how well they can utilize the deposits in form of giving loans and advances. This function of the banks decides about the efficiency of the banks when it comes to performing the two main functions. Hence, management of deposits and advances is more important and is to be taken up by all banks for their effective and efficient functioning. The commercial banks and other financial institutions provide variety of financial services to the individual and institutional customers. The commercial banks provide both fund based and fee based services. Providing these services, timely, as per the need and requirements of the customer is of utmost importance. The banks are the mirror of an economy. Better functioning of banking sector may lead to the overall improvement of the economy. In fact, banks act as a link between those who want to save and those who want to invest, so improvement in the productivity of the banking sector is very much needed.

Problems :

The performance of banks has become a major concern of planners and policy makers, since the gains of real sector economy depend on how

efficiently the financial sector performs the function of financial intermediation. Efficient working of banks has become an important issue. The major problems like poor quality of assets, high NPA's, low spread, more idle funds, poor efficiency, low credit, poor recovery of loans, are being faced by the banks. In this regard, there is a genuine need to undertake a study about the credit to deposit management of the banks in Goa.

Methodology :

Study is undertaken with an objective to analyze and understand sector wise trend of (public, private and co-operative Banks) and to study credit to deposit management of banks in Goa.

Attempt is made to understand trend of deposits and advances of Public, Private and Co-operative Banks in the state of Goa. Year wise data pertaining to deposits and advances for the period from 2000-01 to 2011-12 is collected from the different State Level Bankers' Committee reports. Besides data

regarding to Credit to Deposit Ratio of banks in India for the corresponding period is collected from the RBI website. The study is based on the secondary data. Tables, diagrams, graphs and simple averages are used to analyze and present collected data.

Analysis and Discussion :

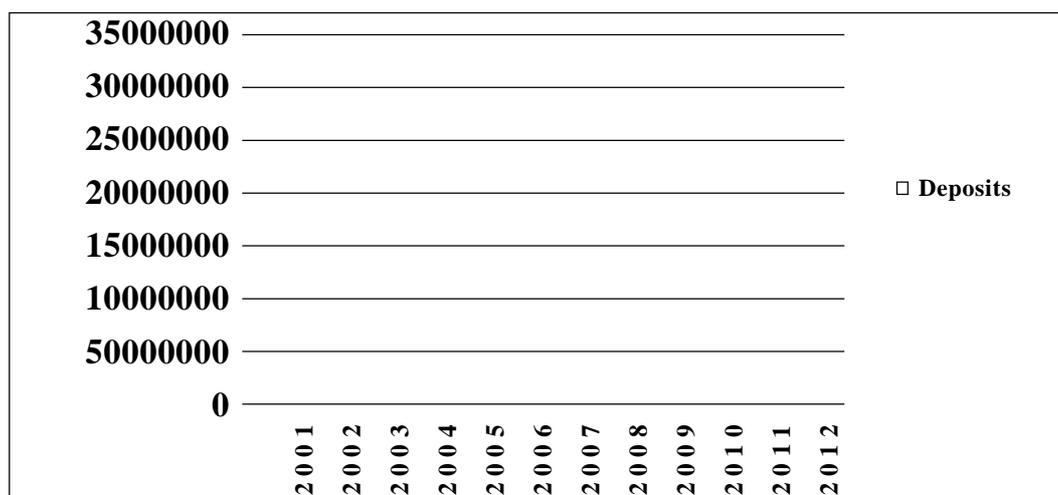
The primary functions of banks are to accept deposits and lend advances to the public. In this regard, this study is carried out find out the position of the public, private and co-operative banks in Goa when it comes to conducting their primary function. The analysis and discussion in the study has presented management of deposit and advances done by banks in Goa. The study tries to cover deposit mobilization and advance deployment done by public, private and co-operative banks in Goa from 2000-01 to 2011-12. It also studies the Credit to Deposit ratio of India and Goa from 2000-01 to 2011-12.

Table 1 : Deposits and Advances Analysis of Nationalized Banks in Goa during 2000-01 to 2011-12

Sr.	Year	Deposits	%	Advances	%
1	2000-01	64727334	3.61	15737595	3.27
2	2001-02	71755692	4.00	16831880	3.49
3	2002-03	81165279	4.53	18137109	3.76
4	2003-04	89011292	4.96	19680061	4.08
5	2004-05	98320347	5.84	25132747	5.22
6	2005-06	113705526	6.34	31497305	6.54
7	2006-07	138689508	7.73	39033870	8.10
8	2007-08	155941652	8.69	45860270	9.52
9	2008-09	192051148	10.71	51157260	10.62
10	2009-10	207520083	11.57	63041123	13.08
11	2010-11	253532204	14.13	74459128	15.45
12	2011-12	327148861	18.24	81230954	16.86
	Total	1793568926	100	481799302	100

Source : Goa State Level Bankers' Committee Reports from 2000-01 to 2011-12

Graph 1 : Deposits and Advances Analysis of Nationalized Banks in Goa during 2000-01 to 2011-12



The public sector banks in Goa have shown an increasing trend when it comes to deposit mobilization in the state of Goa. From 3.61 percent in the year 2000-01 it has increased to 18.24 percent in the year 2011-12. The main reason for this increase is because deposits contain NRE deposits which are being kept by individuals from Goa working in foreign countries. As far as the

advances deployment is concerned, it can be seen that banks have not performed effectively. In spite of uptrend in sanctioning of loans and advances still efforts are needed in this regards. The reason why this has been happening is lack of industrial development compatible with the unique bio-diversity of the state.

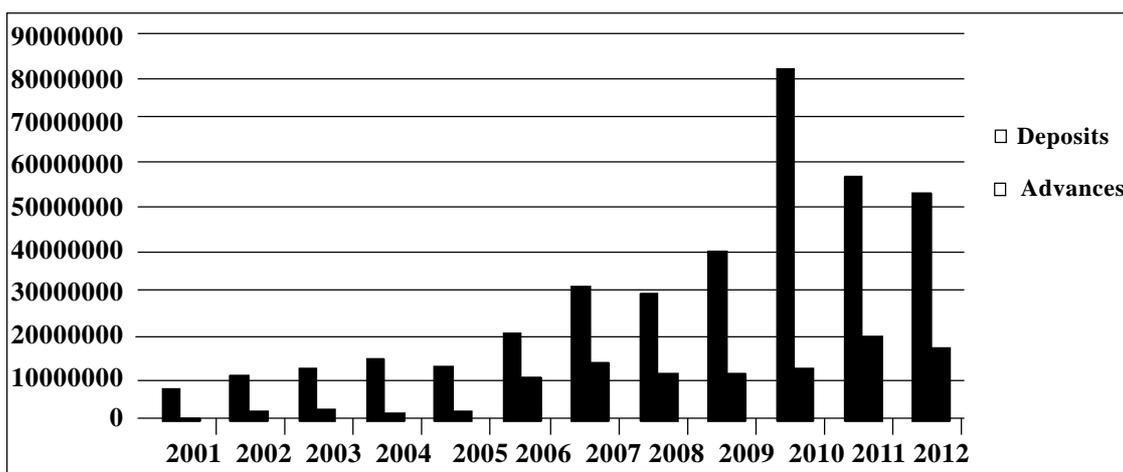
Table 2 : Deposits and Advances Analysis of Private Banks in Goa during 2000-01 to 2011-12

(000's omitted) (Rs in actual)

Sr.	Year	Deposits	%	Advances	%
1	2000-01	8356041	2.93	1264285	1.12
2	2001-02	11024746	2.93	3211206	2.85
3	2002-03	12762461	3.39	3312188	2.94
4	2003-04	15264470	4.05	2674842	2.37
5	2004-05	13211912	3.51	2854273	2.53
6	2005-06	20974891	5.57	10944554	9.70
7	2006-07	31829293	8.45	14290385	12.66
8	2007-08	30354232	8.06	11774975	10.44
9	2008-09	40144687	10.66	11771085	10.43
10	2009-10	82048385	21.79	13089944	11.60
11	2010-11	57138138	15.18	20134694	17.84
12	2011-12	53415620	14.19	17514054	15.52
13	Total	376524876	100.00	112836485	100.00

Source : Goa State Level Bankers' Committee Reports from 2001 to 2012

Graph 2 : Deposits and Advances Analysis of Private Banks in Goa during 2000-01 to 2011-12



After studying about the deposits and advances of private sector banks in Goa we can see that deposits mobilization is more than advance deployment. If we try to study the percentage increase over the period of time it is less than that of nationalized banks in Goa. The private sector banks work for their profit, so they have focused more on fee based services. As a result of this,

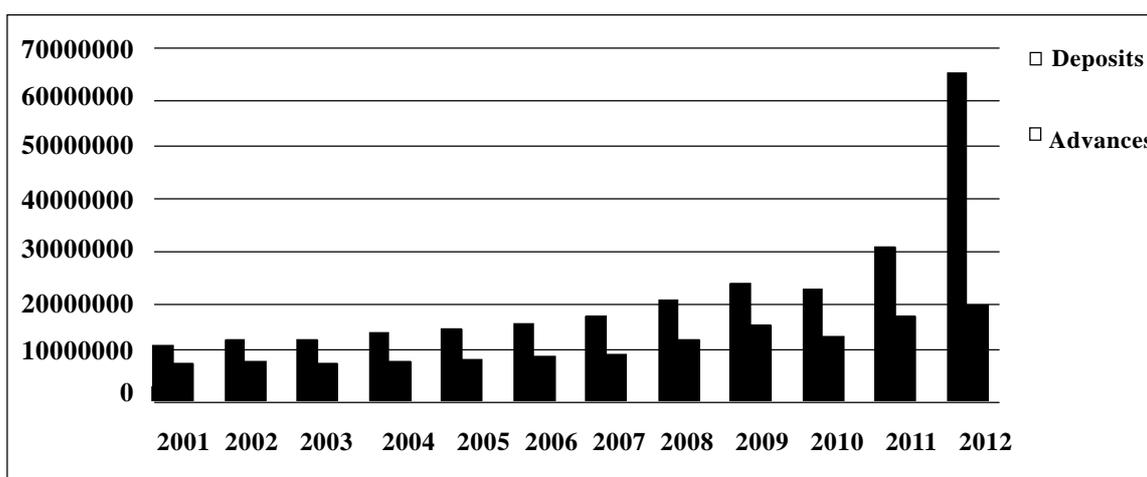
they are very selective when it comes to giving advances. The Credit to Deposit Ratio is very less of private banks if we try to compare it with public and co-operative banks in the state of Goa. For the years 2009-10, 2010-11 and 2011-12 we find that private sector have almost doubled deposit mobilization, but have failed in playing their role when it comes to credit deployment.

Table 3 : Deposits and Advances Analysis of Co-operative Banks in Goa during 2000-01 to 2011-12

(000's omitted) (Rs in actual)				
Year	Deposits	%	Advances	%
2000-01	11405148	4.36	7873427	5.72
2001-02	12529369	4.79	8235888	5.99
2002-03	12696271	4.85	7974545	5.80
2003-04	14157613	5.41	8102655	5.89
2004-05	14778517	5.65	86445605	6.28
2005-06	15770941	6.03	93918667	6.83
2006-07	17276988	6.60	9537544	6.93
2007-08	20414431	7.80	12715983	9.24
2008-09	23534489	9.00	15353263	11.16
2009-10	22664152	8.66	13266289	9.64
2010-11	30975048	11.84	17062632	12.40
2011-12	65383942	25.00	19441806	14.13
Total	261586909	100.00	137600504	100.00

Source : Goa State Level Bankers' Committee Reports from 2001 to 2012

Graph 3 : Deposits and Advances Analysis of Co-operative Banks in Goa during 2000-01 to 2011-12



The Co-operative Banks in Goa are the best among all three sector banks when it comes to giving advances to general public in the state of Goa. The deposit mobilization of the co-operative banks in Goa for the year 2011-12 has doubled as compared to 2010-11. When we try to see credit deployment done by co-operative banks we find that still there

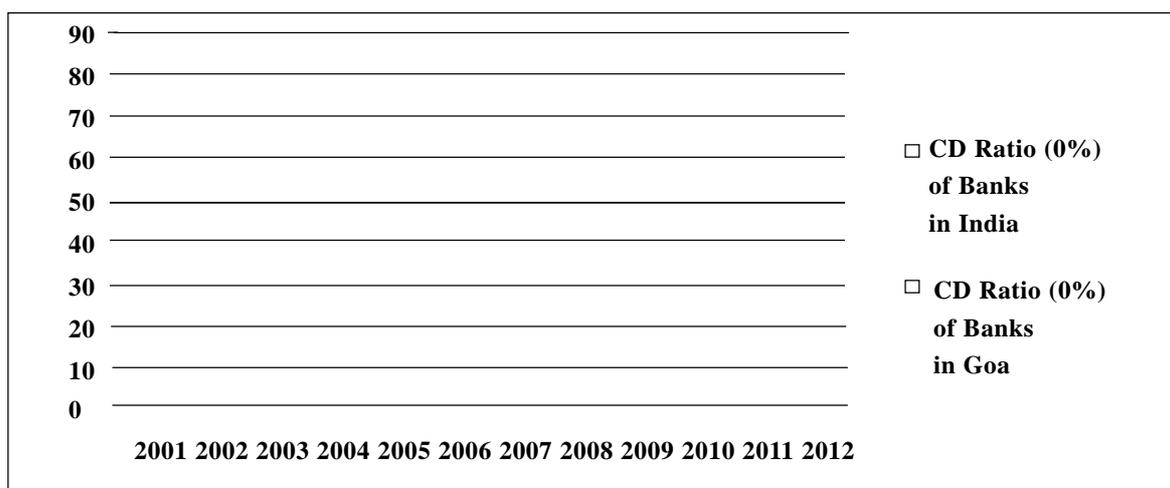
is lot of scope for improvement. Depositors of the state are selecting co-operative banks than other nationalized and private banks present in the state of Goa. The thing which is noted here is without more services also, co-operative banks are successful in attracting the general public towards their banking needs.

Table 4: Analysis of Credit to Deposit Ratio in Goa and India during 2000-01 to 2011-12.

Sr.	Year	CD Ratio of Banks in Goa	CD Ratio of Banks in India
1	2000-2001	24	57
2	2001-2002	23	58
3	2002-2003	22	57
4	2003-2004	22	59
5	2004-2005	26	66
6	2005-2006	28	73
7	2006-2007	28	75
8	2007-2008	29	74
9	2008-2009	27	73
10	2009-2010	30	73
11	2010-2011	29	75
12	2011-2012	25	78

Source : Goa State Level Bankers' Committee Reports from 2001 to 2012 & RBI website

Graph 4 : Analysis of Credit to Deposit Ratio in Goa and India during 2001 to 2012.



The C-D ratio of the state of around 30 per cent compared with about 75 per cent at the all-India level does not appear commensurate with its high level of economic development (fig 4). The recorded C-D ratio, however, understates the extent of credit penetration for mainly three reasons. First, major industries such as pharmaceuticals and hotels source credit from their head office locations which are outside the state. Hence, such credit flow does not reflect in the C-D ratio of the state. Second, internal cash generation in industries such as tourism reduces institutional finance. Third, with a substantial share of non-resident deposits, the deposit base is large which imparts a downward bias to the C-D ratio of the state. There is no undermining the fact that there is scope for further credit expansion, particularly to the agriculture and the allied sector. Despite the low incidence of poverty and high literacy, there is uneven distribution of credit across the state. Since self-employment accounts for about 32 per cent of the total employment in the state, further credit penetration is required to harness the demographic dividend. The credit inequality needs to be addressed through intensified financial inclusion measures.

Conclusion and Suggestions :

Goa is the richest state in India with a strong potential as reflected in the growth acceleration in the latter half of the last decade. The challenge

is to sustain this momentum which will require continued policy action and greater access to the formal financial sector. First, initiatives need to be taken to promote sustainable industrial development compatible with the unique biodiversity of the state which, in turn, would generate local employment. Second, investment in infrastructure could be scaled up through the Public-Private Partnership model to support industry and services. Third, there is a need to increase agricultural productivity and promote diversification in agriculture and allied activities. The high level of literacy and human development provides ample opportunity for further growth of knowledge-based industries. However, for achieving this, Goa needs to provide knowledge workers on a large scale. This entails strengthening of technical and higher education and also there is scope for further credit penetration. In this regard banks can explore innovative structures of loans with a greater emphasis on group lending to minimize credit risk.

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A Study on Customer Service and Preference with reference to Private Sector Banks in Western Maharashtra

Sudhir A. Patil, Nitin C. Mali

Abstract

Every time a customer approaches your business, they arrive with the set of expectations; it may be related to services offered or new product developments. They have an expectation that accompanies their interest in your business. A good experience may increase their loyalty and tendency to purchase again and poor experience may transfer their business to competitor. The ability to recognize this process forms the basis for customer relationship management. Loyal repeat customers can form a significant competitive advantage for a business in many ways. Truly loyal customers form a strong market share base. Thus cost to sale for existing customers is far less than the cost of acquiring new customers.

Today Bankers can no longer view the customers from the perspective of specific products or a snapshot in time. To maximize lifetime profitability from valued customers, banks must abandon the traditional silo mindset. Technology, commoditization, and globalization forever changed the face of banking.. It's time to adopt a comprehensive view of the customer as part of a continuum, not just a sale, and to manage, but the lifecycle of the relationship. Therefore researcher has selected the paper entitled "A study of innovative relationship management strategies in private and public sector banks in western Maharashtra" for further in depth study.

Keywords : Snapshot, Competitive Advantage, Commoditization, Lifecycle, Personalized

Introduction

Customer relationship management is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company with the customers. Parvatiyar and Sheth (2001).

Most of the banking services are trying to use innovative relationship management techniques to

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achieve varieties of outcomes. These areas are creating customer centric culture and organization Foss Bryan (2002).

Shaineesh Mohan (2001) conducted survey among bankers to understand innovative relationship marketing strategies it addressed the issues such as quality and customer centric processes, employee empowerment, technology, customer knowledge strategies and customization and individualization strategies. Payne Adrian (2005) in his innovative relationship studies found CRM is often associated with utilizing information technology to deliver profitable customer through superior process based strategies that are customer focused to enhance long term customer relationships.

Joyner Allen (2001) Bankers should not view the customer from the perspective of specific products or a snapshot in time. To maximize lifetime

profitability from valued customer's banks must change the traditional mindset which tends to reward product level success and undermine enterprise-wide profitability. Alienate customers by revealing the banks lack of knowledge about their complete relationship. Banks understand that they need to adopt innovative relationship strategy which is more holistic in approach having Customer centric vision from strategic standpoint.

Morgan Hunt (1994) explained Trust generally is viewed as an essential ingredient for building and maintaining successful relationship as the key mediating variable to the development of long term customer relationships. Commitment is the enduring desire of parties to continue a relationship whereby customer willingly makes effort at maintaining it. Considerable conceptual and empirical outcome supports the positive relationship between commitment and behavioral loyalty. Therefore researcher has selected the study entitled "A Study of innovative Relationship Management strategies in private and public sector banks in western Maharashtra" for further in depth study.

Research Methodology :

A survey method was adopted; at the outset a pilot survey was conducted to finalize certain key issues. After the pilot survey, the selected units i.e. 10 banks were visited and responses collected. Study set to test two hypotheses i.e.

H1: Income level of the individuals is beneficial to consider for choice of deposits.

H1: Banks which maintain long term relationships with its customers generally experience increase in its deposit business.

The study was undertaken with an objective to study existing customer organization relationships owing to know the customers' expectations, problems of banking sector in managing customer relationships and to know the major competitors.

Amongst five districts viz. Kolhapur, Sangli, Satara, Solapur, Pune, 50 customers each region were taken for study of a bank which is largest in its operation and easy to access were selected as sample for this study.

Table 1 : Bank wise Selection of Customers

Sr.	Western Maharashtra Regions	No of customers selected (Private sector)
1	Kolhapur district	Kotak Mahindra (50)
2	Sangli district	HDFC Bank (50)
3	Satara district	AXIS Bank (50)
4	Solapur district	ICICI Bank (50)
5.	Pune district	INDUSIND Bank (50)
	Total customers	250

Data Presentation and Analysis :

Table 2 : Gender Wise Classification

Sr.	Responses	No .of. Respondents	Percentage
1	Male	222	88.8 %
2	Female	28	11.2%

Source: Field Data

The above data in this table represents the gender response rate of the survey and it is found that 222(88.8%) respondents are males and only 28(11.2%) are

females. It seems that less number of females are active in banking .Gender issues need significant attention to improve banker- customer relationship.

Table 3 : Age Wise Classification of Samples

Sr.	Responses	No .of .Respondents	Percentage
1	16-25	27	10.8%
2	25-35	105	42.0%
3	35-50	89	35.6%
4	50-60	25	10.0%
5	60 & Above	04	1.6%

Source : Field Data

The aforesaid table brings out the information about age wise classification of the respondents holding the accounts in private banks. Age is an important influencing factor. And from the study it is understood that majority of the respondents i.e. 105(42%) are young respondents followed by 89(35.6%) belong to middle age & 10.8% belong to teen age group. Remaining 10% of the respondents belong to the age group of above 50 including the senior citizens.

In terms of age it is further revealed that most of the respondents are youngsters.

Table 4 : Occupation of Samples

Sr.	Responses	No .of .Respondents	Percentage
1	Business	105	42.0%
2	Professional	24	9.6%
3	Employee	105	42%
4	Others	16	6.4%

Source : Field Data

From the table it is evident that 105 (42%) respondents are businessmen. similarly 105(42%) respondents are employees. Followed by 24(9.6%) in private and 31(12.4%) in public sector banks are professionals. And remaining 16(6.4%) respondents belong to the others category like house wives, students, contract workers etc.

It seems that income and occupation are closely interrelated in preferring various banking services. Service class customers i.e. employees dominate the business group. Professionals have shown more preference to private sector banks.

Table 5 : Annual Income of Samples

Sr.	Responses	No .of .Respondents	Percentage
1	Below Rs.1 lakh	31	12.4%
2	Rs.1-5 lakh	124	49.6%
3	Rs.5-10 lakh	62	24.8%
4	Rs.Above 10 lakh	33	13.2%

Source: Field Data

The aforesaid table brings out the information pertaining to income level of the respondents and it is evident from the fact that majority of the respondents i.e. 124(49.6%) belong to the income group of 1-5 lakhs.

Followed by 62(24.8%) belong to income range of 5-10 lakh. Further it is observed that 31(12.4%) belong to lower income group. Remaining 33(13.2%) respondents are in the range of above 10 lakhs annual income category.

The results of the study indicate that private sector banks are offering services to high income group customers i.e. class banking.

Table 6 : Association of Sample With Bank

Sr.	Responses	No of respondents	Percentage
1	No .of .years		
2	1-3 Yrs	134	53.6%
3	4-6 yrs	82	32.8%
4	7-9 yrs	20	8%
5	More than 9 yrs	14	5.6%

Source : Field Data

From the above table it is inferred that great majority of the respondents i.e. 134(53.6%) private have association of 1-3 yrs. Whereas 82(32.8%) are associated with their bank since 4-6 yrs.Followed by 20(8%) respondents have longer association with their banks.

Significantly it is found that 14(5.6%) customers have a very long association with their banks. Hence it is clear that majority of the respondents are not holding longer relationship with their banks.

Table 7 : Preferred To Open Account Because-Private bank

Sr.	Responses	No of respondents ranking					Mean score	Perce- tile	Rank
		Lowest	Low	Med	High	Highest			
1	Convenient Location	6	8	31	95	105	4.16	83.26	Excellent
2	Reputation of the Bank	2	4	51	125	63	3.99	79.83	Good
3	The Bank is Fully Aware of Customers Problem	4	17	44	97	83	3.97	79.42	Good
4	Does Not Take Much Time in Opening the Bank A/c	4	8	33	121	79	4.7	81.46	Excellent
5	You are Not Kept Waiting for Long Time	6	17	38	106	78	3.95	79	Good
6	The Employees of Bank are Cooperative	5	14	43	99	84	3.99	79.8	Good
7	You Feel Deposits are Safe in this Bank	6	7	24	129	79	4.09	81.87	Excellent

Source: Field Data

An attempt was made to study the factors for which customers prefer to open bank account and it is observed as follows.

Convenient Location : The statement has received Excellent mean score by private sector respondents of 4.16 (83.26)

You Feel Deposits Are Safe In This Bank : The statement has received Excellent mean score by private sector bank respondents of 4.09(81.87).

The fact remains crystal clear that proximity to residence or work place i.e. convenient banking service and safety of deposits are the prime factors for opting to open the bank account.

Table 8 : Customers Preferring Deposit Schemes

Sr. Responses	No.of Respondents	Percentage
1 Yes	187	74.8%
2 No	63	25.2%

Source: Field Data

187(74.8%) of the respondents are dealing with deposit schemes offered by the banks. Rest 63

Table 10 : Most Preferred Competitors

Sr.	Responses	No of Respondents ranking					Mean score	Perce- ntile	Rank
		Lowest	Low	Med	High	highest			
1	AXIS	35	26	64	62	54	3.30	66	Fair
2	ICICI	23	26	47	83	62	3.56	71.2	Good
3	State Bank Of India	10	16	36	66	113	4.06	92	Superb
4	Union Bank	12	38	70	78	43	3.42	68.4	Fair
5	HDFC	22	22	69	67	61	3.51	70.2	Good
6	Bank Of Baroda	24	26	84	48	59	3.38	67.6	Fair
7	Corporation Bank	30	55	77	43	36	3.0	60	Fair
8	Bank Of India	27	18	55	74	67	3.56	71.2	Good
9	Kotak Mahindra	39	70	75	37	20	2.70	54	Poor
10	Indusland Bank	40	90	56	34	21	2.60	52	Poor
	NR				9				

Source: Field Data

(25.2%) of the respondents are not dealing with any type of deposits schemes.

Table 9 : Kinds of deposit schemes

Sr. Responses	No .of Respondents	Percentage
1 Fixed	137	54.8
2 Demand	19	7.6
3 Recurring	42	16.8
4 TaxSaver	21	8.4

Source: Field Data

From the above table it is found that out of total 187 customers preferring deposit schemes are categorized as follows

137(54%) of the respondents are dealing with fixed deposits. Very few i.e. 19(7.6%) of the respondents are dealing with demand deposits. Again it is seen that 42(16.8%) of the respondents are dealing with recurring deposits. Rest 21(8.4%) of the respondents are dealing with tax saver deposits. Interestingly it is observed that different perceptual factors like security, influence of Medias, tax saving advantage are some of the important criteria for selecting the choice of deposits.

From the above table customer's preference to the most preferred banks studied and it is observed as follows.

STATE BANK OF INDIA : It is observed that the bank has received moderate range Superb mean score by private sector respondents of 4.6(92).

ICICI : The bank has received Good mean score by private sector bank respondents of 3.56(71.2).

One can conclude from the fact that state bank of India (SBI) is the most preferred in the public sector bank whereas ICICI bank is one most preferred bank in the private sector s in comparison with other banks.

Table 11 : Comparative Rating scales between bank and its competitors.

Sr.	Responses	No of respondents ranking					Mean score	Perce- ntile	Rank
		Lowest	Low	Med	High	highest			
1	Quality in service	9	14	54	105	66	3.82	76.53	Good
2	Interest Rates	1	19	98	80	50	3.64	72.82	Good
3	Quick service	6	11	49	101	81	3.96	79.35	Good
4	Reliability	6	13	55	118	56	3.82	76.53	Good
5	Security	5	7	49	115	72	3.97	79.51	Good

Source: Field Data

From the above table customer's comparison with its competitors criteria's are assessed with five parameters of important banking services and it is found that following two parameters are very important.

Quick service : It is observed that the statement has received higher range Good mean score by the respondents of 3.96(79.53).

Security : The statement has received Good mean score by private sector bank respondents of 3.97(79.51).

Furthermore it can be concluded that quick service and security are the important criteria preferred by the respondents in comparison with its competitors.

Table 12 : Satisfactory level of value added services you have experienced

Sr.	Value added Services	Good	Moderate	Poor	Total Weight	Average	Rank
1	Weight(W)	5	4	3	(WX)	(WX/W)	
2	ATM	203	30	9	1162	96.83	Superb
3	Locker facility	121	80	02	931	77.58	Good
4	Net banking	169	43	02	1023	85.25	Excellent
5	Mobile banking	165	40	02	991	82.58	Excellent

Source: Field Data

An attempt made to scrutinize different modern value added services used by the customers. ATM services received superb weight score by respondents of 96.83.

Again Locker facility received Good weight score by respondents of 77.58.

Furthermore Net banking facility received excellent weight score by respondents of

85.25.Finally mobile banking services received excellent weight score by respondents of 82.58

It is crystal clear from the above table that private sector banks customers are using ATM and netbanking facility as modern value added services.

Hypothesis Testing :

Ho : Income level of the respondents and choice of deposits are independent.

H1: Income level of the individuals is beneficial to consider for choice of deposits.

Table 13: Individuals income influence on deposits business

Sr.	Deposits Income level	Fixed Deposits	Demand Deposits	Recurring Deposits	Tax saver Deposits	Total
1	Below 1 lakh	12	1	3	1	17
2	1-5 lakh	85	15	16	6	122
3	Above 5 lakh	40	3	23	14	80
	Total	137	19	42	21	219
Chi-square value : 21.8; Degrees of freedom : 6 Level of significance : 5% P value = 0.001						

Source : Field Data

Table 14 : Individuals income influence on deposits business

Sr.	Deposits Income level	Fixed Deposits	Demand Deposits	Recurring Deposits	Tax saver Deposits	Total
1	Below 1 lakh	10.6	1.47	3.26	1.63	17
2	1-5 lakh	76.3	10.6	23.4	11.7	122
3	Above 5 lakh	50.0	6.94	15.3	7.67	80
	Total	137	19	42	21	219
Chi-square value : 21.8; Degrees of freedom : 6 Level of significance : 5% P value = 0.001						

Source : Field data

It is divulged from the Table 21 that the calculated chi-square value is greater than the P value and the result is significant at 5 % level. Hence the Hypothesis Ho is rejected and the alternative hypothesis H1 is selected .from the analysis, it is concluded that Income level of the individuals is beneficial to consider for choice of deposits.

Ho : Maintaining long term relationship with customers of bank and increase in deposit business of bank are independent.

H1 : Banks which maintain long term relationships with its customers generally experience increase in its deposit business

Table 15 : Association with bank and its influence on deposits

Sr.	Deposits No of Years associated	Fixed Deposits	Demand Deposits	Recurring Deposits	Tax saver Deposits	Total
1	1-3 years	51	4	21	11	87
2	4-6 years	51	10	11	7	79
3	Above 7 years	37	5	9	2	53
4	Total	139	19	41	20	219

Chi-square value : 9.09; Degrees of freedom : 6 Level of significance : 5% P value = 0.169

Source : Field Data

Table 16: Association with bank and its influence on deposits

Sr.	Deposits No of Years associated	Fixed Deposits	Demand Deposits	Recurring Deposits	Tax saver Deposits	Total
1	1-3 years	55.2	7.55	16.3	7.95	87
2	4-6 years	50.1	6.85	14.8	7.21	79
3	Above 7 years	33.6	4.60	9.92	4.84	53
4	Total	139	19	41	20	219

Chi-square value : 9.09; Degrees of freedom:6 Level of significance : 5% P value = 0.169

Source: Field Data

It is divulged from the Table 22 that the calculated chi-square value is greater than the P value. And the result is significant at 5 % level. Hence the Hypothesis Ho is rejected and the alternative hypothesis H1 is selected .from the analysis, it is concluded that Banks which maintain long term relationships with its customers generally experience increase in its deposit business.

Findings based on customer's opinion survey

1. Demographic Profile Findings :

The demographic profile of the banks is very diverse, less number of females i.e. (11.2%) are active in banking. and it is seen that major share of respondents i.e. 42.8 of r bank customers are youngsters. Service class customers i.e. employees 42% respondents dominate the business group. Professionals have shown more preference to private sector banks and expect

quick service. Income and occupation are closely interrelated in preferring various banking services.

Again it is seen that educated customers (62 %) prefer private sector banks. Evidently educational levels are significantly higher.

Furthermore all private sector banks are offering services to high income customers (13.2%).This infers that more customized banking services are needed to be designed and catered to the diverse type and needs of customers.

2. Banking Details :

In bank account holding details it is seen that majority of the private sector bank respondents (28.63%) have their alternative account in State Bank of India ,and ICICI bank.

Working hours of private sector banks is round the clock i.e. 8 to 8 banking and it is found that banking convenience is utmost in private sector banks as compare to public sector banks. Private sector banks surpass the public sector banks in quick service as compared to public sector banks

3. Customers Bank Selection and Preference Criteria's :

It is also observed that excellent opinion is obtained on convenient banking service and safety of deposits as the prime factors preferred by the customers for selecting the banking service by private sector bank customers.

Again it is seen that quick and prompt service provided by the private sector banks (51.42%) is the prime reason customers prefer various deposit schemes offered by these banks.

From the findings it clearly reveals that customers while selecting and preferring banking services clearly stated that safer, speedier and convenient service as important criteria for selecting banking service.

Implications of the Study :

1. Maintain and Sustain Existing Customer Base :

In banking services safer speedier and cost effective service is the prime expectation of customers. Private sector banks are advised to maintain the same quality of banking service they are rendering to its customers. However the potential drawbacks need to be removed from their current banking service like high charge levied on various value added service.

2. Generate Prospective Customers through Referrals :

It is suggested that private sector bankers to ensure that every branch should generate at least 10 new and prospective customers list every month. This customers list will be also useful in managing promotional activities and when the respective branch managers will track and record every detail of existing customers they will communicate their problems to their

branch heads. And thus there will be more referral generated by existing customers.

3. Implement Loyalty Programs :

As today Customer switching cost is becoming very low. Both the private and public sector banks should focus on effective customer loyalty programs. Specifically for most profitable customers. Some of these techniques include reminders of festivals, birthday or anniversary reminder cards, offering holiday packages, use of corporate gifts, family get together and so on. This will be significant in forming strong contractual and social bonding between customers and banks.

Commitments normally increase the switching costs, such as social bonds, financial bonds, and contractual bonds with the customers.

Affective commitment is based on feelings towards benefits and Calculative commitment is based on monetary losses if customers switched the bank.

On the contrary it is observed that Trust plays an important role under uncertainty. A perception of genuine concern for customer equity and service may override other short term transactional determinants like relational bonds and termination costs. Contractual bonds are not important to maintain relationship with customers as faith and perception of intention is very important in long term.

Similarly it is seen that Repeat purchase is because of behavioral loyalty.

Attitudinal loyalty is due to emotional connecting. Bankers are advised to attract the customers on attitudinal loyalty. So that it would be difficult to break the relationship easily with the bank.

4 Customer Value Management :

Private sector banks are advised to concentrate more on value added services as it is their core competence .most of the customers prefer private sector banks for its value added services

like NEFT/RTGS, Mobile banking, Netbanking facilities which provides them hassle free services . If they try to reduce the cost of these transactions they will generate more customers.

5. Create Awareness and Encourage Women for Active Banking :

Banks need to be more sensitive to encourage more female customers especially in western Maharashtra because very few women are active in banking and those active are joint account holders only as signatory authority supporting spouse in business as banking partner. Hence by introducing program like special women account benefits,

Can encourage women customers and this segment can emerge as significant share of wallet for bankers. As females are more sensitive they are more emotional than male customers and due care be taken to build socio economical bond with these customers.

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Ethics in Modern Education System : An Introspective Analysis

C.R. Reddy, D. Jayarama Reddy, E. Ramesh Babu

Abstract

Future of a nation depends on the advancement of education to its people. Education brings in a synthesis of physical, mental, emotional, intellectual, aesthetic, moral and spiritual values apart from knowledge in human beings. Access to education facilitates the people to civilized behaviour, decency, good manners and righteous conduct, peace and show love, through right kind of education. Most of students coming out of education institutes are on 'domain education' who have been focussed on 'moneymaking' and 'materialism'. This, in the process, has resulted in decline of values among people gradually.

A good teacher is a catalyst in transforming knowledge to the students. Lack of honesty with innovativeness, need of human capital and good teachers, presence of political interference and outdated curriculum has cumulatively shown decrease in ethical values, lawful activities, human behaviour and moral consumption which slowly breaks down the structure of Indian society. Only way to arrest this decline in terms of quality as well as quantity is a philosophical thinking in niche of social system and striving for moral development through pursuit of education. A debate and discussion at this learning crisis will fill-up with right kind of education. All these warrant a need to be reformed in the education system on money spending in imparting education inevitably, properly and prudently.

Keywords : Ethics, Human Capital, Education System, Learning Crisis, Innovativeness.

Education is manifestation of human beings to position well fitting for job by means acquiring knowledge with the need skills to gain the goal of socio-economic development and tuning good progress in the society. It also adds to display behaviour; decency, good manners and ethical

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conduct which help adjust the generations to the ever-changing environment in achieving the end-means for the use of resource in an effective and efficient approach. People have knowledge and wisdom in information but their thirst remains. It is education at this juncture that ought to teach not only how to make a life living but also how to make a healthy livelihood. Disseminating education is, thus, a function involving lot of prestige, going beyond monetary rewards and benefits.

On education Pabla opined this: Education should aim at making human life better not only through economic uplift of individual but also through strengthening the social, moral and spiritual dimensions (Pabla M.S. 2011). The Global Monitoring Report (UNESCO, 2014) released worldwide by UNESCO acknowledges the

headway made by India in improving the access to education but the country's illiterate adults has been a drag factor. The report questions the quality of Indian education among the twenty-first countries of the world that has been facing an extensive learning crisis; part of it has been attributed to the draft of vague curriculum and teaching approach.

What Education Means ?

Education is a tool that will improve human life and enrich realization of 'truth' implies 'Tamaso Ma Jyotirgamaya' from darkness to light in terms of earning, development of personality with skills, values, morals and enhancement of one's own attributes in an in-built form. Education as cornerstone in living life of human beings socially and economically with satisfaction in an environment is essentially imperative. On critical examination of various challenges pertaining to the prospective of Indian education, Bordoloi observed as: "Education is a vital means for the potentialities of human beings to emerge in a positive direction so that men can live in the society with full dignity (Bordolai, 2011).

Ethics is a branch of philosophy that deals with the morality and values relating to the human conduct pertaining to rightness or wrongness and goodness or badness of the motives. It is derived from the Greek word, 'ethos' implies character. Ethics is more than a moral, religious or legal concept. What is ethically good for an individual and a society is an indispensable base for gaining to add and grow the virtues of practical knowledge of self-defence, courage, honest and justice which ultimately lead for fillip up of socio-economic development. Development is being guided by the principle of value and adds up good quality to the living of life patronizing welfare of family; and progress of society and nation. Without imbibing human values and morals in education, human development will be incomplete. Essentially, the need of values and morals are inherent in human beings but they need a thorough imparting of education. Hence education is the need of the present study.

State-Of-Affairs of Education

Indian education system was very prosperous and value-based if one looks at it in an ancient time wherein the teachers had strived for total improvement of students intellectually; understanding abilities and responsibilities, regards for elders and towards fellow classmates and appreciation for cultural heritage. Such qualities are rarely seen in the present education system in the context of modernization, industrialization, urbanization, privatisation, globalization and influence of western culture accompanied with many problem-issues in the society causing decline in the value of ethics and education. The contents of syllabus are classroom oriented but have no student-exposure. Currently, the aim of students has remained confined to

- How to take degree
- How to earn money
- How to become careerist without weighing ethical value and national spirit in life

People always critically appraise that education system can alone develop economy, judicial, administrative and parliament if quality-tuned structure of education is offered.

Deterioration of Ethics

Ethics constitute an integral part and integrity in carrying out business on esteem. Indian society, to-day, is bound to encounter new and perpetual problems - lack of honesty with innovativeness, need of human capital and good teachers, presence of political interference and outdated curriculum cumulatively results in decrease in ethical values, unlawful activities, human behaviour and moral consumption slowly breaks down the structure of Indian society. These are explained vividly below.

Lack of Honesty with Innovativeness :

Honesty and innovative inquisitiveness certainly spreads and spins motivate value-based education. The conduit role against this honesty with innovativeness is corruption which spoils the society. The undesirable element of corruption prevails in the offices of Government or private

institutions, has, now spread its roots to the education system too. It includes:

- Bribe and illegal fee or admission and examination or academic frauds
- Mandatorily making students to attend teachers' self-run tutorials
- Teachers absenteeism

Hallak and Poisson defined corruption as: The systematic use of public office for private benefit, whose impact is significant on the availability and quality of educational goods and services as a consequence on access, quality or equity in education (Hallk, 2007). India has IITs, IIMs, AIIMS, BITS, CSIR, Space Research and Atomic Energy Commission which rank among the best institutes in the world. Contrary, most of the schools in the country do not have even the minimum basic infrastructure is opinion of Abhinav Singh and Bharat PurohittSingh A & Purohit B, (2011). Two-thirds of India's colleges and universities are below standard opined the recent Government report (Dukkilapati, 2010). In the recent past, the Ministry of Human Resource Development has decided to derecognize as many as 44 deemed universities (Gupta D & Gupta N, 2012). Out of 130 investigated deemed universities, 44 had abysmal academic and physical infrastructure and are example of nepotism type of corruption implies violation of the rules of University Grants Commission. Many Indian education institutes are under the clutches of corruption.

Human Capital :

Many economists consider human resource as human capital which acts as a catalyst and critical factor in the process of economic growth and development. To make human resource as capital, the education providers either in public or private sector will have to compete each other for students in imparting value-oriented morals besides knowledge quality in the subject. A renowned education institute copes with the changing environment of education and builds up a platform to excel students nationally and globally, but many

people are allowed to open their self-financing institutions - schools, colleges and institutes with recognition with a view to impart education in the cause of development leading to socially, educationally and economically. But, the emergence of private education institutes in several forms in the recent decade has resulted in burgeoning growth without the basic infrastructure and teaching faculty qualitatively. This type of education without 'competitive spirit,' generally, can acquire the status of a marketable commodity in which the institutes and students are becoming traders and customers respectively.

The appointed teachers are low paid without job security and are not possessing quality and not enthralling in human resource to develop as 'human capital'. "Due to producing thousands of money minded machines, India has the world's largest number of unskilled, untrained and unpaid professionals (Garg and Kaur, 2005). Teachers who motivate unethical practices are arguably unfit for teaching the values of civic education, moral, honesty and integrity. Unethical deterioration not only has an economic impact but has an adverse effect on the society.

Good Teacher :

Nothing inspires a student more than a motivated teacher capable of inculcating the spirit of acquiring knowledge and skills in young minds. A good teacher is a catalyst in giving students' a foresight but also his teaching he makes the students to acquire knowledge with employable skills. Making and moulding future of nation lies in the hands of good teaching faculty who enable young minds to imbibe value knowledge with which they become a role model. But for this, a good teacher is most preferred and respected personality and his service is considered as noble and sacred in the society. It is appropriate to quote maxim thus: "Sound parents bequeath birth to sound children."

One visualises if look into the International Institute of Educational Planning Study Report of UNESCO on corruption in education. It said thus:

25 per cent of teacher absenteeism in India which is the highest among the countries of the world. In Bihar, two of every five teachers were reported absent and it was one-third of total teachers in Uttar Pradesh. Phantom teachers just affect quality of education and huge drain on resources resulting in the wastage of 22.50 per cent of education funds of India (Hallack J, 2005). It is fact that majority of education institutes have totally neglected teaching quality; some blame it on shortage of good teachers while others genuinely want to hire good teachers but fail to do so due to their non-availability.

Political Interference :

Teachers who are motivated by ideals and principles being embedded in the social value system with dedication was present in India. Such teachers' number has substantially decline; the important cause for it is political interference through policy in recruitment, promotion and transfer of teachers. As result, the management is not well organized and also responsible for misuse of human resource management in education. Those teachers who have record of misconduct and unethical behaviour irregular in class-room teaching and becoming absent without leave are close to the political system and also misconduct in teachers appointment including posting and transfer. "The moral and ethical commitment of teachers has gradually decreased over the years due to political interference" is the opinion of Shirley Van Nuland and Khandelwal, B.P (Shirley V., 2001).

Outdated Curriculum :

Vedas, Upanishads and Epics have been manifested and upheld the values of Indian Society and imparting value education was the sole motto of the teachers. Family system which was a long tradition right from the ancient practice of the Gurukul system taught moral value through stories to children at home. The modern development with the fast changing role of parents, it has been no easy for them to impart relevant values to their wards and mould them.

To-day, value education is neither at home nor schools, though it is included in the curriculum of education. The curriculum finds no space in arena of value education with exposure to the pupils who are more sensitive to build up character and behaviour . Bala Harish is of the opinion that "the present curriculum makes the pupils perfect money maker, best politician, well-know doctor, skilled engineer, greatest musician, marvellous actor but fails to make them realize a bit to their identity as human beings(Harish B, 2011).

The present scenario would need education as means; how to earn job which yields money and earn value. This attitude finds no means to the perpetual problems and social activities. The relationship between the teacher and the student can create confidence towards each other; the latter would develop kind-hearted attitude towards others including the family, society and nation. On this, there is a greater urgency to focus on value education with replica of ancient education system.

Conclusion :

To sum up that many commissions, committees and policies were set up to improve the system of education with the need-based and exposed curriculum; and intellectual dimension so as to fulfil the desired needs and aspirations reflecting true human beings. A considerable budget has been spent on education. It has accounted for 13 per cent of the budget in 1999 and 10 per cent in 2010. Indian education system has proved itself curiously grown in technology sector but lack the essential human character, scientific, astronomical and such other indispensable qualities to compete with the developed or developing nations with values and moral education abounding India. A revolutionary thinking on how to optimise the fund allocation to the education institutes and how can achieve better results is a key issue.

The syllabus should focus on foundation skills and closely match to what students are able to learn and expose themselves to the field and achieve goal in a given time frame. Though the students are self-centred and their prime target is earning

job with security but need to equip them with skills, morals, presentation and talking skills and spirituality development avoiding the suspicious teacher-student relationship. For imbibing this inventiveness among the students, the maxim that hold good is as: "Everybody wants to be literate but everyone needs to be thought excellent."The education system should be tuned under the guidance of teacher in such way possible to deal with 'what is value' or 'what is valuable' to human beings which is termed as value education. This aspect of energy and synergy would aid in 'life for living' with value and respect if the students on their part should mould up an active peer learning.

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