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Augmentation of the Production Sectors and Optimisation of the Financial Sector - Essential Requisites for a Sound U.S. Economy

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Abstract : With an estimated GDP of \$14.3 trillion in 2008, the United States of America is still the largest economy in the world. However, its economy is fast moving away from manufacturing towards the service sector. Closer examination shows that Financial and Management Services sectors have been dominant in contributing to the U.S. GDP. Since GDP is mostly composed of measures of expenses, contributions from a sector to the GDP do not automatically make that sector beneficial to the society. It is observed that while sectors such as Agriculture, Mining, Construction, Utilities, and Manufacturing produce goods that the end consumer actually needs and wants, the contributions to the U.S. economy from these sectors are relatively small. On the other hand, the Financial and Management Services sectors have become major contributors to the U.S. GDP. Since expenditures from the latter sectors add to the burdensome overhead on the former sectors, the U.S. competitiveness in a global economy is seriously threatened. The U.S. has to face the challenge from the emerging economies by shifting the emphasis from the Financial and Management Services sectors to those that produce goods and services demanded by the end consumer.

Key words: GDP, Financial Services, Innovation

BPO Employees in India: A Discriminant Analysis Approach

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Abstract : The role of BPO in boosting India's economy cannot be undermined. But at the same time the inevitable negative consequences are also there especially to those persons, who are working there. The BPO work environment is forcing them to rethink their decision which is causing an impact on job satisfaction level of employees. The present paper has made an effort to explore the interrelationships of job satisfaction variable of BPO employees with their demographic and psychographic variables relating to causes perceived by them for turnover. It reveals that salary and job satisfaction parameters are unidirectional irrespective of the fact that they may have to work for long durations, the work is of repetitive nature, or the working environment is poor. Moreover, people, who are relatively less satisfied with their jobs, belong to the young age category and they perceive 'a large pace of effort is required to do the job' as the reason for the turnover among BPO employees. The study recommends that this is the right time to introspect what is lacking in the approach, as otherwise all the benefits that India is deriving on account of its competent large pool of people, resources and cost from the operation of these BPO organizations may fade away.

Key Words : BPO, Job Satisfaction, Turnover, Discriminant analysis

An Appraisal of State-VAT in India

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Abstract : The Consumption tax system in India is multilayered with levies both at federal & State levels. Taxes on goods are levied by the centre at manufacturing level through CENVAT, on services through Finance Act and on interstate sales of goods via Central Sales tax Act. States levy tax on the sales of goods independently under their own laws. The replacement of the single-point State sales taxes by the VAT in all of the 32 States and Union Territories (UTs) of India has yielded significant dividends in economic efficiency of the tax system, ease of compliance, and growth in revenues. In one swoop, the State-VAT eliminated all the complexities associated with the application of sales taxes at the first point of sale. The consensus reached among the States for uniformity in the VAT rates has brought an end to the harmful tax competition among them. It has also lessened the cascading of tax.

Following an overview of State-VAT in all the States/UTs of India, this paper examines the rate structure and policy issues in different States/UTs of India. The paper also analyses the level, composition and trends in State taxes including revenue performance of VAT. The principal deficiencies of State-VAT have been pointed out which need to be the primary focus of next level reforms. It is shown that a Goods & Services Tax (GST) at the State level is justified for comprehensive input tax credit (involving goods as well services) for trade, industries & agriculture, removal of cascading effect of CENVAT load & other indirect tax & additional power of taxation of services for the States. GST can pave the way for modernisation of tax administration and significant enhancement in tax Compliance.

Keywords: State-Value Added tax/Goods & Services Tax, Consumption tax, tax neutrality, tax harmonization, destination principle.

Changing perspectives about development economics: Indications from literature on the history of economic thought

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Abstract : This paper focuses on the implications that economic development has connoted in the history of economic thought. It is based on an extensive review of literature of the most notable development economists. The paper enunciates that growth and development have been the concern of economic thinkers since the earliest times, though more often than not other mainstream economists have overshadowed the development theorists. However, a recent upsurge in environmental concerns, societal culture and institutions and their interactions with economic activities have given a new dimension to the way development economics as a subject may be studied in future. Due to reasons of brevity, the paper acknowledges its limitations in its concluding section and points out scope for future studies.

Work Culture and Occupational Stress in Indian Organisations

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Abstract : The present study is an attempt to determine the work culture and occupational stress of managers working in public and private organisations. The sample of the study comprised of 80 middle level managers from Krishak Bharthi Cooperative Limited (KRIBHCO), a public sector organisation (n=40) and DABAR India Ltd., a private sector organisation (n=40). Tools used were the Work Culture Scale by Zeitz et. al. (1997) and the Occupational Stress Scale by Srivastva and Singh (1984). The results of the study revealed that on dimensions of work culture like job challenge, communication, and social cohesion, the scores of managers from two organisations did not differ significantly, whereas, on trust and innovation scores they differed significantly. As regards occupational stress, two groups did not differ significantly on the dimensions of under participation, powerlessness, poor peer relation, strenuous working condition, unprofitably.

Key Words : Work Culture, Occupational Stress, Public, Private, Organisation, Middle level Managers

Behavioural Finance - The Basic Foundations

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Abstract : Most of the theories related to the securities market are based on the assumption that everyone takes full account of all the available information in the market and behaves with rationality. But it has been observed that it is not the case always. A new area of research has come up which recognises the psychological element in financial decision making and thus challenge the traditional models. This new area of study is known as behavioural finance; and in the changing socio-economic and technological context, it is high time to study this new dimension. This paper highlights the basic concepts on which the foundation of behavioural finance has been built. The paper starts with an introductory remark of behavioural finance, then discusses the rationality of studying this subject, the context of study, the building blocks of behavioural finance and finally a conclusion.

Key words: Investor Rationality, Arbitrage, Market Efficiency, Risk, belief, Prospect Theory, Ambiguity Aversion.

Organisational commitment in multinationals: A dynamic interplay among personal, organisational and societal factors

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Abstract : An interesting question that multinational organisations, where cultural and social diversities are to be assimilated into a larger unity, face is whether their employees are really committed. The present study aims to explore the determinants of organisational commitment, comprising of job involvement, loyalty and identification, from amongst Indian societal values, organisational values, and personal variables. Data were collected from 202 executives working in three MNCs using standardised questionnaires: Indian Societal Values Scale (Khandelwal and Dhillon, 2003), Organisational Values Scale (adapted from Hofstede, 1980), Organisational Commitment Scale (Buchanan, 1974) and personal data schedule. Analyses included t-test, one-way ANOVA, and multiple regression. Results indicated significant differences on commitment among employees of three organisations. On gender and marital status, no significant differences emerged between males and females in two organisations, while married respondents were found to be more committed than unmarried ones in two organisations. As regards family structure, those living in joint families were more committed, while education had a selective effect on commitment across organisations. Further, the most significant predictors of commitment were found to be organisational masculinity, organisational individualism, organisational power distance, societal masculinity, societal power distance, number of jobs changed, education, experience prior to joining, marital status, tenure, promotion and sex. In order to foster commitment, careful consideration needs to be given to both socio-cultural and organisational values, and perhaps align the two.

Key Words: Organisational commitment, identification, loyalty, involvement, multinational, societal values, organisational values

Need Assessment Analysis of CRM Practices in Logistics Industry

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Abstract : The complexity of logistic management has undergone a drastic change in the recent past. It encourages many companies to outsource their logistics activities to third party logistics (3PL). This helps the companies in more ways than one like focusing on their core competencies, reduced inventories, optimising the supply chain etc. The concept itself has created business opportunities in the 3PL market place. This in turn has intensified competition among 3PL to capture and increase their market share. Customer relationship has in fact emerged as a tool for increasing market share through satisfied customer base. This paper attempts to review some issues of Customer Relationship Management with special reference to 3PL and its need in the logistic industry.

Key word : 3PL, Third Party Logistics, Customer Relationship Management

Supply Chain Best Practices in India

Bikash Behera¹

Abstract : Supply chain process is gaining importance day by day as the international companies are increasing their sourcing and manufacturing activities. High transportation cost, increased cycle time, higher inventory investment, consumer demand for low price has forced the companies to focus more and more on the supply chain aspect. Moreover gaining control over the logistics in a cost effective manner can lead to the competitive advantage in the industry. In India the best practices in supply chain are seen with McDonald's India in the food industry, Madura Garments in the garments industry and TVS Motors in the automobile industry. By doing the best in the logistics activities, they are able to achieve cost-efficiency, improved delivery performance and customer satisfaction, thereby capturing a good market share in the industry.

Key Words: Supply Chain Process, Best Practices, McDonald's India, Madura Garments, TVS Motors, Cost Efficiency, Delivery Performance, Customer Satisfaction

Emerging Environmental Challenges and Competitiveness of Indian Higher Education System: Issues and Strategies

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Abstract : The higher education system in India has been undergoing multidimensional changes in the recent years. The fast changing environmental forces in higher education sector have challenged the traditional concept of 'higher education as a public service'. Globalisation and technological developments across the globe have added to the complexity of the environment by linking the challenges in international environment to the domestic forces. Under this fast changing scenario, the system of higher education in India needs to be more competitive to meet the challenges of the global environmental changes arising out of intense competition. Having a long experience in higher education, of one and half century, there seems to be no reason why we cannot emerge as a competitive stronghold in this sector. The task is not so simple, as it apparently appears to be. There are inherent problems, both in the process as well as the system, that often act as limiting factors in our reengineering attempts. Other threats, including invasion of foreign higher educational institutions by different modes, have complicated the issue. In order to bring the desired changes, we need to imbibe the modern concepts of management across all the stages of higher education value-chain. The present paper is an attempt to trace the major challenges arising in the global and domestic higher education scenario due to the fast changing environmental factors. The popular PEST framework has been used as a basis for the analysis. The paper seeks to compare the various factors of Indian higher education system which has been contributing to retain its competitive edge vis-a-vis higher education systems of other countries. The paper also utilises the application of modern management techniques of Sector Analysis and Value-Chain framework for the overall analysis and suggests some innovative measures to enhance the competitiveness of our higher education services in the era of knowledge economy.

Key Words: Higher education, challenges, competitiveness

Rewards as a Key to Employee Engagement : A Comparative Study on I.T. Professionals

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Abstract : Employee engagement is the level of commitment and involvement an employee has towards his organisation and its values. Reward strategies play an important role in this arena, in inspiring, energizing, motivating and thus 'engaging' employees. The present investigation focuses on the prevalent reward systems in three Information Technology (I.T.) organisations and the role of rewards in employee engagement as expressed by the I.T. professionals. Accordingly 90 employees (30 from each organisation) have been selected in this investigation. General Information Schedule, Perceived Organisational Reward System Questionnaire and Role of Rewards in Employee Engagement Questionnaire were administered to them. The study reveals that although fair reward practices are prevalent in the three organisations, however differences are perceived in the different categories of rewards, by the three groups of employees from the same industrial sector. Differences also prevail in the attitudes of the employees; belonging to the different organisations pertaining to the same industrial sector, "Information Technology", towards judging the role of rewards in employee engagement.

Rural Consumer - Post-purchase Behaviour and Consumerism

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Abstract : The objective of modern marketing is to make profits through satisfying and delighting the consumer's needs and wants. Hence, the marketers have to understand the real needs, wants, beliefs and attitudes of the consumers towards their products and services. Today, network marketing is a multi-billion dollar business, and a large number of companies have adopted this model. It has grown into one of the driving forces of the 21st century economy. Many business leaders now regard network marketing as the business for future. But this marketing method was misunderstood as a get rich-quick scheme; it is also too common for network marketers world wide to answer the legality and soundness of their business. In this paper, an attempt is made to analyse the post-purchase evaluation, rural consumerism with regard to different consumer Protection Acts, consumer satisfaction levels of different selected FMCGs and duplicate brands which is penetrated in rural India in an overall manner, in terms of rural market environment.

Secure Electronic Banking: Threats and Solutions

Atul Bamrara¹

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Abstract : The exponential intensification in technology led to the hunt for new techniques for conducting effective business and commercial activities flanked by customers and service providers. New emerging trends of business triggered a new wave of financial innovation called electronic banking or e-banking. Networked computers all around the globe are facilitating the public in a lot of ways viz. ATMs, Credit Cards, e-wallets and the list is endless. Electronic transactions have made transaction quick and effective, but, are the customers safe? The paper focuses on the techniques that hackers might use to hit the Information System. Hacking is not only widespread, but is being executed so flawlessly that the attackers compromise a system, steal the required information and transfer the funds within moments. The study also suggests what solutions and privacy technology the financial institutions should implement for both hardware and software.

Key words: Digital Signature, Kerberos, Cryptography, MeCHIP