Subsription Rates			
Category	1yr	2yr	3yr
Indian (in Rs.)			
Institutions	300	550	800
Individuals	200	350	500
Alumni	150	225	350
Students	150	225	350
Foreign (in US$)			
Air-Mail	75	125	170
Sea-Mail	60	100	135

Contents

ARTICLES

From the Desk of the Editor-in-Chief

Philosophers have debated the relation between thought and emotions for at least two millennia. The Stoics of ancient Greece and Rome believed emotion far too heated and unpredictable to be of much use to rational thought. In fact emotion has had been strongly associated with women, in their view, and therefore representative of the weak and inferior aspects of humanity. But many notions were upended during the rapid development of modern psychology in the 20th century.

Over the past decade almost everyone tuned in to any culture has heard the term emotional intelligence. As a new concept, emotional intelligence has been a hit: It has been the subject of several books, including a best seller, and myriad talk-show discussions and seminars for schools and organizations. Today you can hire a coach to help you raise your "EQ," your emotional quotient--or your child's. Setting the stage for a new way of thinking about emotions and thought, psychologists articulated broader definitions of intelligence and also new perspectives on the relation between feeling and thinking.

Feelings are simply a chemical dump in your body, which in turn creates many physical and mental reactions that we have come to label with the terms "anger" or "happiness", etc. These chemicals running around in our bloodstream do some very helpful things (extra adrenaline during a crisis helps us fight back or flee), but when misunderstood and mismanaged, they can build up and be detrimental to your very physical health. For the past seven years or so that I've been studying emotions and health, I've run across s many studies indicating a buildup of these emotions… these chemicals may be linked to serious health problems.

As early as the 1930s, psychometricians Robert Thorndike mentioned the possibility that people might have a "social intelligence"… an ability to perceive their own and others' internal states, motivations and behaviors, and act accordingly. In 1934 David Wechsler, the psychologist whose name today attaches to two well-known intelligence tests, wrote about the "non-intellective" aspects of a person that contribute to overall intelligence. Thorndike's and Wechsler's statements were, however, speculations. Even though social intelligence seemed a definite possibility, Thorndike admitted that there existed little scientific evidence of its presence. Psychometric expert Lee Cronbach, who in 1960 declared that, after half a century of speculation, social intelligence remained "undefined and unmeasured", reached a similar conclusion.

However there are ways of looking at basic human abilities. To my understanding, social intelligence and emotional intelligence are so closely linked that they are like two sides of the same coin. Emotional intelligence includes self-awareness… the art of knowing what and why we're feeling it. It's self-management. It also involves empathy... being tuned in to other people and social skills. Empathy and social skills are social intelligence, the interpersonal part of emotional intelligence. That's why they look alike. I believe that he more socially intelligent you are the happier and more robust and more enjoyable your relationships will be. At work, social intelligence defines people with leadership skills and who make the best team members. IQ and academic skills predict what class of job you can get and hold, but once you're in that job, those capacities disappear as predictors for whether you will be a star performer or a leader.

The capacity to know how another feels is important on the job for a performer or a leader. We transmit and catch moods from each other on a subtle, almost imperceptible level. The connection between mood and work is obvious to anyone observing the way an employee or a boss in a good or bad mood conducts him (her)self. In fact, in our culture, it is common for a colleague wanting to meet the boss to check up with the personal staff,

"Saheb ka mizaz kaisa hai?" (In what mood is the boss?). If told that the boss is not in a good frame of mind, the colleague may even put the idea of meeting him on hold.

The mood very often decides the nature of the outcome. The way someone thanks you, for instance, can leave you feeling dismissed, patronized, or genuinely appreciated. While those who have mastered their moods, are shining, and rising to the upper levels in their personal & professional life, but there seems to be a huge gap between those people and the majority of employees in a given company. The more adroit we are at discerning the feelings behind other people's signals, the better we control the signals we send. However many people fail to be as skillful and go through this at some point in their life with their career. It sounds like you're just at a standstill and need change. There are several good ways to get back to being the positive person you once were:

Make or refresh your goals. Think about what you want from your career. Do you need new goals to achieve? Do you need something more challenging?

Talk to your boss. Perhaps your responsibilities are getting too mundane and you need some new projects. Ask if there is something new you can tackle.

Try new paths. Maybe there is another department or type of work you think would make you happier. Contemplate all the projects you enjoyed doing and what you didn't like.

Smile. When you're smiling, others will smile back at you. This can put you in a better mood.

People experience emotional states lasting for days, weeks, months, and even years. Emotional states that last for more than a few hours are referred to as moods, particularly when the subject is unaware of how the state started. Moods tend to be of lower intensity than emotions, perhaps punctuated by waves of more distinct emotion. So, for the purposes of description, we see emotions as discrete states of some intensity, typically noticeable to the self (accessible), to others (observable), or from recordings of autonomic nervous system indices, and lasting for finite periods.

After revisiting the literature it may be concluded "individuals make judgments not only by assessing the severity of outcomes, but also and primarily in terms of their emotional quality." This experiment demonstrates that emotions and thought processes are closely connected. Whatever notions we draw from our Stoic and Cartesian heritages, separating thinking and feeling is not necessarily more adaptive and may, in some cases, lead to disastrous consequences.

I have an ardent hope that you will enjoy reading all the articles of the present issue. As always, I will look forward to your valued comments.

Sanjay Srivastava

Factors Affecting Recruitment in Indian Organizations

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The study undertaken explored the factors of recruitment in organizations. The study focused on 100 employees holding middle managerial positions in various management recruitment organizations. The Cronbach's alpha of the questionnaire was found to be 0.862 & Pearson correlation was 0.924 (p<0.001). The factor analysis of the component 'employee recruitment' led to the extraction of 4 factors from the study. The results indicate that these factors have substantial roles to play in aiding employees recruitment at middle managerial level in Indian organizations.

Keywords: *Recruitment and Selection, Factor Analysis*

INTRODUCTION

Recruitment and selection is that activity of HRM that purports attracting and fitting the right person for a specific job or position. The importance of this function is emphasised by Sue Birch, general manager of a vacancy management company (2002:27), when she states that companies have altered their attitude, in that they are now reluctant to leave a vacancy unfilled, even for a relatively short period of time, in their bid to remain competitive. With the emergence of intellectual property as the prime frontier of cooperate competition, Hofmeyer (2003:11) declares, that the centre of power in the employer/employee relationships has shifted. Employers no longer call the shots with impunity, instead talented people prefer to orchestrate their own careers within a company.

Recruitment and selection play a pivotal role in service delivery. If utilized efficiently it can be cost effective in more than one way. From a managers point of view the objective is to get the maximum return on investment from human capital. Investments, such as salaries, cost of recruitment, training, fringe benefits, are expected to be returned in the form of profits or some sort of increase in the bottom-line. Hammersak (2002:6) explained that star performers usually return three to seven times their salary's worth in productivity. If the right person is appointed, training cost will be minimised, breaks in delivery decreased, and production or service increased, putting the organisation in a position of achieving its key performance objectives of:

dependability, cost, speed and quality (Slack, Chamber and Johnson, 2001:45). The wrong appointment implies extended training, thus no service or production, or incorrect service or production, over a longer period, and higher cost to the organisation. The Government's drive towards improved service delivery, a departments' HR planning and HR strategy, would be out of reach if recruitment and selection is not done proficiently and according to best practices for the industry. For this reason recruitment and selection is a strategic people management issue, with a potentially high probability impact on service delivery.

Carrell, Elbert and Hatfield (1995:250) describe recruitment as the process of acquiring applicants who are available and qualified to fill positions in an organisation. This is reinforced by Gerber et al (1998:90), who deem that recruitment reflects on the process of locating, identifying and attracting suitable applicants and that it involves those organisational activities that influence the number and/or the types of applicants who will apply for a position and/or affect whether a job offer is accepted. Swanepoel et al (2000:291) defines recruitment as: "… those activities in human resource management, which are undertaken in order to attract sufficient job candidates who have the necessary potential, competencies and traits to fill job needs, and to assist the organisation to achieve its objectives."

Recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization". Recruitment is the activity that links the employers and the job seekers. It is the process to discover sources of manpower to meet the requirement of staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force. Recruitment of candidates is the function preceding the selection, which helps create a pool of prospective employees for the organization so that the management can select the right candidate for the right job from this pool. The main objective of the recruitment process is to expedite the selection process. Recruitment is a continuous process whereby the firm attempts to develop a pool of qualified applicants for the future human resources needs even though specific vacancies do not exist. Usually, the recruitment process starts when a manger initiates an employee requisition for a specific vacancy or an anticipated vacancy.

Purpose & Importance of Recruitment

- Attract and encourage more and more candidates to apply in the organization.

- Create a talent pool of candidates to enable the selection of best candidates for the organization.

- Determine present and future requirements of the organization in conjunction with its personnel planning and job analysis activities.

- Recruitment is the process which links the employers with the employees.

- Increase the pool of job candidates at minimum cost

- Help increase the success rate of selection process by decreasing number of visibly under qualified or overqualified job applicants.

- Help reduce the probability that job applicants once recruited and selected will leave the organization only after a short period of time.

- Meet the organizations legal and social obligations regarding the composition of its workforce.

- Begin identifying and preparing potential job applicants who will be appropriate candidates

- Increase organization and individual effectiveness of various recruiting techniques and sources for all types of job applicants

RECRUITMENT POLICY OF A COMPANY

In today's rapidly changing business environment, a well defined recruitment policy is necessary for organizations to respond to its human resource requirements in time. Therefore, it is important to have a clear and concise recruitment policy in place, which can be executed effectively to recruit the best talent pool for the selection of the right candidate at the right place quickly. Creating a suitable recruitment policy is the first step in the efficient hiring process. A clear and concise recruitment policy helps ensure a sound recruitment process. It specifies the objectives of recruitment and provides a framework for implementation of recruitment programme. It may involve organizational system to be developed for implementing recruitment programmes and procedures by filling up vacancies with best qualified people.

HIRE RIGHT TALENT

Employee retention starts with recruitment. Early departures arise from the wrong recruitment process. Here are a few ways to ensure how to hire the right talent for a particular job.

- Hire appropriate candidates. Hire candidates who are actually suitable for the job. For this the employer should understand the job requirements clearly. Don't hire under qualified or clearly overqualified candidates.

- Provide realistic job preview at the time of hiring: Mostly employees leave an organization because they are given the real picture of their job responsibilities at the time of joining. Attrition rate can be reduced if a right person is hired for a right job. Realistic preview of the job responsibilities can be given to the employment seekers by various methods like discussions, trial periods, internships etc.

- Clearly discuss what is expected from the employee: Before joining the organization, tell the candidate what is expected from him. Setting wrong expectations or hiding expectations will result in early leaving of employees.

- Discuss what the expectations of the employees are: Ask employees what they expect from the organization. Be realistic. If their requirements can be fulfilled only then promise them. Or tell them before hand that their requirements can not be fulfilled. Don't show them an unrealistic picture.

- Culture fit: Try to judge individual's capability to adapt to the organization's culture. A drastic change in the culture may give a culture shock to the candidate.

- Referrals: According to the research, referred candidates stay longer with the organization. There is a fear of hampering the image and reputation of the person who referred the candidate.

METHODOLOGY

This study used a descriptive survey design. A thorough review of literature was conducted before selecting the topic of the study. In this study, we focused on understanding the factors affecting recruitments of organizations most valuable assets (employees) for gaining competitive advantage in the market. The target populations of the study were hundred middle level managers who were selected from various recruitment organizations (called as consultancies) based in north India.. They are in better position to observe and experience the factors affecting recruitment in organizations. This study aims to fill the niche by studying the perceptions of employees towards factors affecting recruitments. A total enumeration sampling technique was used to select hundred middle level managers of these consultancies.

INSTRUMENT

A set of nine measures were selected for the study after going through the literature. A structured questionnaire was constructed utilizing these nine measures of JD & Responsibilities, Salary Package, Experience & Skill requirement, Company Location, Benefits Offered, Company Image/status/Size, Industry the company operates in, Position Title, Reputation of the recruiter advertising the position with appropriate instructions for each section of the questionnaire for the collection of data on the study. The questionnaire was specifically designed to accomplish the objectives of the study.

The first section collected information such as age, sex, experience. The second section was supplemented by items based on the parameters of the study. To assess the validity of the questionnaire, expert judgment method was applied. So, the developed questionnaire, along with explanations regarding terms and concepts were presented to three university professors, eight managers from the various organizations. As such, they were asked to express their views about its construct, content, formal appearance and writing model. Many inputs were given by them that were included while finalizing the questionnaire. It was also noticed that some of the questions needed revision along with some additions and deletions. The necessary amendments were then made and its content and construct validity were assured and finally confirmed by other experts. The questionnaire consisted of 45 items in which the perception of the participants was central.

The items measured the participants' perception and attitudes towards recruitments in organizations. All 45 items were scored on a five-point Likert scale ranging from 1 "I strongly disagree" to 5 "I strongly agree". Then, to determine the reliability of the questionnaire, it was sent to various organizations. The questionnaire was filled out by the research community belonging to middle managerial level. After the mentioned questionnaires were filled out, the reliability of the questionnaire was determined using Cronbach's alpha and Pearson correlation. The overall reliability co-efficient of the modified instrument after the pilot survey yielded an r = 0.886 cronbach alpha while Pearson correlation was 0.894 (p<0.001) showing that the questionnaire was reliable.

RESULTS & FINDINGS

Table 1 show some of the demographic characteristics of the respondents who participated in the research study. As it is indicated in the table, the study mainly comprised of females (85%) in comparison to males (15%) with varying years of experience ranging from six months to more than

four years and around 60% of the employees fall in the 1st category of pay package (i.e. between 2-300,000 INR) followed by the 2nd category (i.e. between 3-500,000 INR). See Table 1.

Table 1:Frequency distribution of the respondents in accordance with demographic characteristics.	
Demographic factor	Frequency
Percentage	
Sex	
Female	85
Male	15
Experience	
6 months to 1 year	20
1years to 2 years	30
2years to 3 years	20
3 years to 4 years	15
4years and above	15
Professional Status & Position	
Senior Level	3
Middle Level	38
Executive Level	59
Pay Package	
Between 2-300,000 INR	60
Between 3-500,000 INR	26
INR 500,000 and Above	14

Table 2:   Quantitative Analysis Based On Mean- SD Score

The employees exhibit different levels of agreement for the various parameters on which they were questioned:

Dimensions	Mean	SD
JD & Responsibilities	3.86	0.365
Salary Package	3.81	0.360
Experience & Skill requirement	3.96	0.345
Company Location	3.79	0.321
Benefits Offered	3.12	0.410
Company Image/status/Size	3.57	0.385
Industry the company operates in	3.89	0.396
Position Title	3.76	0.412
Reputation of the recruiter advertising the position	3.97	0.421

Factors Affecting Recruitment in organizations

Factor analysis was done in order to understand which factor is most important to the talented job seekers while they look in for a job. Out of nine factors four were extracted as the key components/motivators.

Factor Analysis

Component Matrix[a]				
	1	2	3	4
JD & Responsibilities	.832	.610	-.077	.119
Salary Package	-.560	.687	-.106	.257
Experience & Skill requirement	-.565	.475	.391	.024
Company Location	.682	.333	.146	.481
Benefits Offered	-.599	-.060	-.296	.598
Company Image/status/Size	.172	.197	-.448	.062
Industry the company operates in	.100	.057	-.097	.321
Position Title	.419	.583	.848	-.069
Reputation of the recruiter advertising the position	-.195	-.646	.086	.488

* Extraction Method: Principal Component Analysis. a. 4 components extracted out of 9 components.
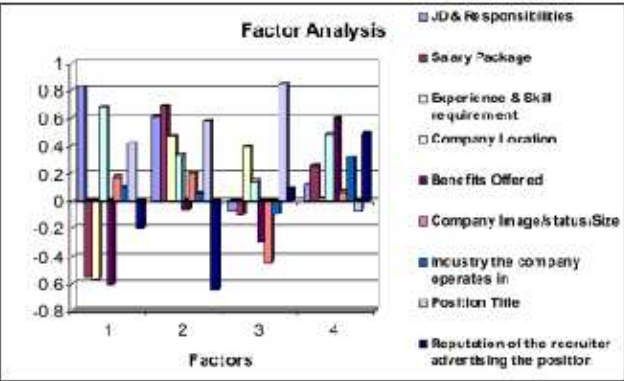
The most important factors extracted were as follows:

1). Job Description & Responsibilities

2). Salary Package

3). Position Title

4). Benefits Offered

These factors are identified as the most important factors which the candidates look for during the start of recruitment process. This question can the aid the organizations in understanding the factors which can attract the candidate to join their organization.

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BIOGRAPHY

Dr.NeenaKohli is an Associate Professor in the department of Psychology,University of Allahabad.She earned her B.A.,M.A., and D.Phil degree from the department of Psychology,University of Allahabad.She was awarded Commonwealth Academic Staff Fellowship, tenable at the Institute of Psychiatry,Kings College,London.Her research interests include stress and coping,gender and health,employee wellbeing, employee engagement and factors in moral decision making.

Project Management Information System Implementation for JnNURM : E-Governance Initiative of Ministry of Urban Development

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Ministry of Urban Development, Govt. of India

INTRODUCTION

The Government is striving to provide its services to the common man in an efficient, transparent and reliable manner. e-Governance is one of its major tools deployed for this task. Through optimal use of Information Technology and digital data the delivery and monitoring of services is constantly being improved in an open and transparent manner. e-Governance will go a long way towards reducing the information asymmetry which exists between government officials and the common man.

Among the major e-Governance initiatives being implemented in Ministry of Urban Development (MoUD) and in its various attached offices are e-Awas in Directorate of Estates, e-sewa in CPWD, e-dharti in Land and Development office and Project Management Information System (PMIS) for Jawaharlal Nehru National Urban Renewal Mission (JnNURM). MoUD is also ensuring implementation of e-governance across the country through its mandatory e-governance reforms to be achieved for claiming funds for urban infrastructure projects under JnNURM. Under e-governance reform, urban local bodies are ensuring on-line birth and death registration, property tax, accounting, water supply and utilities, citizens grievance redressal, personnel management system, building plan approval as well as procurement and monitoring of projects. This leads to transparency, better information management, improved service delivery and overall improvement in urban governance across departments at all levels. Implementation of PMIS by the Ministry has resulted in providing online and up-to-date information by the States and the Ministry, for management and monitoring of projects approved under JnNURM.

### Jawaharlal Nehru National Urban Renewal Mission

The Jawaharlal Nehru National Urban Renewal Mission (JnNURM) was launched by the Government of India on 3rd December 2005, envisaging an investment of more than Rs.1,00,000 Crore during a period of 7 years from 2005-06 to 2011-12 with a committed Central Government share of Rs. 66,000 Crore. JnNURM is a reform driven, fast track programme to ensure planned development of identified cities with focus on efficiency in urban infrastructure/service delivery mechanisms, and through community participation and enhanced accountability of ULBs/parastatal agencies towards citizens. The programme has resulted in facilitating large scale investments in the urban sector and ushered, policy and institutional reforms, leading to sustainable socio-economic growth in the cities.

The programme focuses, higher level of resources and management attention to 65 select cities across the country. 35 cities with million plus population, other State capitals and cities of heritage and tourism importance comprise the 65 Mission cities under Urban Infrastructure & Governance (UIG). The other towns of 31 States/UTs are eligible for funding under the Urban Infrastructure Development for Small and Medium Towns Scheme (UIDSSMT).

551 projects at a total cost of Rs 61,905 Crore have been sanctioned under the UIG for 65 Mission cities across the country. The Additional Central Assistance committed by the GoI towards meeting the central share of the total project cost is Rs 28,590 Crore. There are 807 projects sanctioned under UIDSSMT at a total cost of Rs 14,021 Crore for 672 small & medium towns. 166 projects under UIG and 269 projects under UIDSSMT have been completed and have resulted in improved service delivery to citizens.
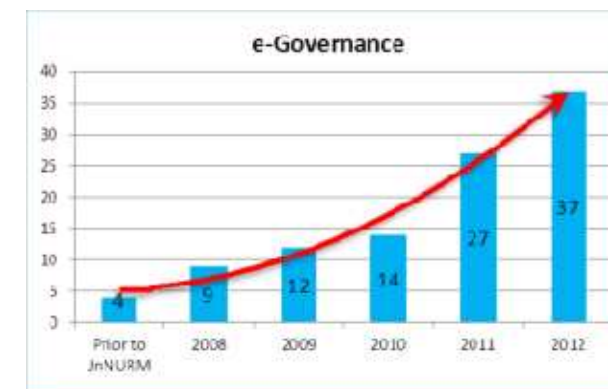
Prior to launch of the JnNURM Scheme in Dec 2005, only 4 out of 65 Mission cities had implemented e-governance modules and now 37 Mission cities have implemented e-governance reform by the end of 2012. The remaining 28 cities are making efforts to complete this reform shortly. The process of e-governance reform implementation in Mission cities has been steady as can be seen in the graph. Cities like, Hyderabad, Bangalore, Pimpri-Chinchwad have successfully implemented more than committed (8) modules.

Some of the metro cities have gone ahead and adopted innovative approaches like auto SMS to citizens on complaints in Hyderabad, global positioning system device on SWD vehicles in Indore and Bio-Metric attendance system for municipal employees in Hyderabad and Madras.

Project Management Information System (PMIS)

The PMIS system has been implemented to achieve the following objectives:-

- To provide online and up-to-date information for management and monitoring of projects by the JnNURM Directorate, MoUD

- To allow JnNURM Directorate and TCPO:

- To update status of the projects with respect to appraisal and approval.

- To update data in respect of funds sanctioned and released.

- To upload Sanction Orders and Release Orders.

- To allow SLNAs to enter data for projects of all ULBs under their control and monitoring.

- To allow SLNAs to submit DPR, UCs and QPRs online for release of funds and project monitoring

Process flow of PMIS

The PMIS Website ensures step by step process flow right from detailed project report (DPR) submission, State Level Nodal Agency (SLNA) appraisal, project approval by SLSC and approval by the Ministry. SLNAs are submitting utilisation certificates as well

as Quarterly Progress Reports (QPRs) on-line for Ministry to take appropriate action for release of subsequent instalment to the States. SLNA are uploading the completion certificate on the PMIS website once the project is completed.

In the process of PMIS development, the responsibility of State/ ULB includes registration of ULB, submission of Detailed Projects Report (DPRs), appraisal of DPRs, submission of Utilisation Certificate and QPRs and completion certificates. The Ministry of Urban Development is responsible for further appraisal of SLSC approved DPR through its technical wings, disbursement of Additional Central Assistance (ACA) and incentives. On release of instalment, MoUD updates the States on PMIS alongwith scanned copy of release order issued by Ministry of Finance (MoF), Department of Expenditure so that SLNA may utilise the funds for implementation of projects.

Special Features in PMIS

PMIS allows the users i.e. officials from MoUD, TCPO, officials of SLNA to easily access and use the website. On-line user guide is available on the home page of the website so that the users may understand the process flow and smooth navigation of the website. The homepage has the facility for user to register on-line by creating his user id and password for further access to the PMIS website. The facilities of forgotten password, transaction history as well as helpdesk are also available on the home page for user friendly application of the website.

A special feature has been created on the home page so that the summary of No. of projects sanctioned under the sector, No. of projects completed, approved cost, ACA committed and ACA released is displayed in a box once the mouse is brought on that particular sector. The overall summary of UIDSSMT is automatically displayed once the mouse is brought on the circle in the centre.

Project ID Nomenclature

For the ease of understanding, the facility of online generation of alpha-numeric project ID has been created and project ID is generated once the project is approved online by the ministry.Project ID contains first two digits for the State code, next two digits for the District code, next two digits represent ULB code of the District, next is the urban sector code, next three digits represent running Sl.No. under the particular urban sector. For example, project ID UP/10/01/SWM/018 is for a project in the State of U.P under sold waste management sector.

Uploading of Documents on PMIS

On utilization of 70% funds and completion of urban sector reforms, the utilization certificate submitted online by the SLNA is processed for release of subsequent instalment and sanction letter is sent to MoF. On release of the instalment by Ministry of Finance release order is uploaded on the PMIS website for information of the SLNA, which can then withdraw funds from the State exchequer for further implementation of the project.

Management Information System (MIS)

MIS link provided on PMIS website has further links (i) Project at a glance (ii) Details of ACA released and (iii) Registered States and Users. On navigation of project at a glance link, information can be retrieved on State-wise and Sector-wise Status of projects showing number of projects, no. of projects completed, approved cost, total ACA and ACA released as well as project status completed / in progress. On further drilling down on this page, summary sheet of individual project and ULB is retrieved. The facility of retrieving release order of Ministry of Finance and completion certificate on clicking on the links instalment date and completion respectively exits. Under the link Details of ACA Released, financial information for a particular State, particular sector for particular financial year is available. Multiple options for choosing financial year(s), State, Sector, Project Status, etc., can be exercised to have desired information required for dealing with matters relating to Parliament Questions, VIP references, etc.

On-line Generation of UC and QPR

QPRs are generated online by the SLNA that shows the extent of funds utilised, Stage-wise project implementation including percentage of progress by end of every quarter. The QPR also provides information on progress of all 23 reforms at ULB level, State level as well as optional level reforms. The reform achievement determines further release of instalment to the State by the Centre.

CONCLUSION

PMIS has brought transparency and speed in the urban infrastructure project management and monitoring at the State and Central level. The availability of the documents on funds releases by MoF and completion certificate by the States could be ensured to the fullest extent. Information could be extracted from the MIS for smooth handling of Parliament Questions/ VIP references etc. Data analysis on funds releases, project completion and for the purpose of future line of action relating to approval of new projects, optimum utlization of funds, etc., is possible with the help of PMIS.

Comparison of States based on completion of projects as well as utilization of funds can also be done with the help of PMIS. This IT enabled tool is thus facilitating smoother and more efficient implementation and monitoring of JnNURM.

BIOGRAPHY

Prem Narayan, received his B. Tech in Mechanical Engineering from IIT Kanpur & M. Tech. in Design of Mechanical Equipments from IIT Delhi and MBA from Indian Institute of Management (IIM), Bangalore . He has also completed a course on 'Budgeting and Financial Management for Public Sector' from Sanford School of Public Policy, Duke University USA.

He underwent 2 months training on Public Policy at Maxwell School of Citizenships & Public Administration, Syracuse University, USA in 2005. He has presented a paper on Customer Relationship Management in the Study Meeting held in South Korea in Dec 2010 and participated in the Training on Balanced Scorecard during 15th to 20th Aug'2011 in Vietnam both organized by Asian Productivity Organization, Japan.

He has handled the job responsibilities in various key areas - Procurement, Inventory Management, Sale of Scrap through Public Auction, Vigilance, Import Clearance, Food Safety & Quality and Infrastructure Development & Corporate Planning during past 20 years of Government Service over Indian Railways , IRCTC Ltd and Director of Estates, Ministry of Urban Development.

He has authored a book on "Emerging Trends in Supply Chain Management Frameworks, Models & Applications", a publication of Quality Council of India (QCI) and is available in more than 450 leading Management institutions of India

Apart from Several appreciation and awards by IIMM and Indian Railways for his exemplary contribution, he was presented with National President IIMM's commendation award for Maximum technical article support to MMR in Feb 2010.

An officer belonging to Indian Railway Stores Services and Life fellow member of Indian Institute of Materials Management, presently he is Director (JnNURM), Ministry of Urban Development, Nirman Bhavan, New Delhi.

Classification of Fixed Income Securities Exchange: Clustering and Profiling

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Fund managers always keep their tab on the market, and keep searching for avenues where they can park their assets for a higher return. Although the equity markets, all over the world are much more popular for such activities, and have started to assume a more prominent role during the past decade, yet the bond market (fixed income security instruments) still command their dominance over the equity market in terms of the size/volumes traded. However with respect to the concept of diversification, presence of the numerous numbers of exchanges around the world can always be a source of confusion for the fund managers. This paper would try to address that by clubbing similar bond markets into one group.

Keywords: *World Federation of Exchanges(WFE), Bond market, Cluster analysis, Regression analysis, Dummy variables.*

Rationale:

Though there have been few studies concerning market design most of these studies have targeted a specific region. In this study we have tried to study markets in various parts of the world. Thus the present study tries to integrate the previous studies and simultaneously highlight emerging challenges concerning various markets of the world. The fact that the microstructure practices are varied not only within a particular region but also across various regions has leaded us to undertake the current study. Since there are hundreds of stock exchanges around the world it is not possible to cover all of them in one single paper. Thus there always remains scope for further adding to the findings by considering different exchanges. We however restrict our sample to ten exchanges because our purpose is not to be comprehensive but highlight the key current issues faced by exchanges across the world.

This consolidated groups of exchanges will help investors and fund managers to identify similar types of exchanges on the basis of the variables used, and plan their investments accordingly. This will also have significant managerial implication in terms of better decision making as the data would be in a consolidated form.

INTRODUCTION

The most important implication of the two well-known theories in the finance literature viz. the Capital Asset Pricing Model (CAPM) and the Modern Portfolio Theory (MPT), suggest that individual and institutional investors should hold a well-diversified portfolio to reduce risk. (Markowitz,1955)1. International Diversification is beneficial has been espoused by several literatures (Rezayat and Yavas 2010; Jean-Claude Cosset and Jean-Marc Suret, Rowland, P.F., Tesar, L.L., 2004, Li, Sarkar, and Wang 2003).

International diversification as a risk mitigating strategy has been in practice since 1900s. Central and Eastern European (CEE) stock markets have gradually attracted international investors' attention after 1990, and their integration into the European capital market will lead to increased maturity of these markets, accompanied by higher attractiveness to international investors.

According to Horobet and Lupu 2009, IMF working paper: Capital Market Integration Masafumi Yabara 2012, Glenn Boyle 2009.

Although, sometimes the importance of diversification might not get appreciated in short term, because of market anomalies, but in the long run, the diversification strategy pays off. Recent works that lays the emphasis being on the long term are that of Asness, Israelov and Liew(2010). Cli□ord

S. Asness, Roni Israelov(2008), John M. Liew .

Therefore, according to them, those who argue that an all-domestic portfolio avoids the messy problem of international diversification might miss the big picture. However over some shorter time horizon this decision might very well turn out be a correct one. Nor is international diversification some sort of panacea. Investment risks abound both internationally (as well as domestically). However over the long term ignoring the increasingly dynamic nature of the global economy and the benefits from diversifying across it seems short-sighted at best.

It is also argued that since differences exist in levels of economic growth and timing of business cycles among various countries, international portfolio diversification can be used as a means of reducing risk. While some disagreement exists among investment professionals regarding the benefits and costs of international portfolio investment, there is agreement that international equity portfolio diversification recommendations are based on the existence of low correlations among national stock markets.

National economies are becoming more closely linked, not only because of growing international trade and investment flows, but also due to terms of international financial transactions. Influences contributing to an increased general level of correlation among markets and markets integration comprises of the development of global and multinational companies and organizations, Advances in information technology, deregulation of the financial systems of the major industrialized countries, explosive growth in international capital flows, and abolishment of foreign exchange controls to name a few important causes.

On the other hand, if it is true, as some recent studies have shown, that cross-country correlation is increasing, due perhaps to the growing interdependence among the international markets, then benefits of international portfolio diversification may be overstated.

Research reveals that stock markets across the world are becoming more integrated. Madura found that correlations markedly increased over time. Forbes and Rigobon tested the stock market contagion during the 1997 East Asian crisis, the 1994 Mexican Peso collapse, and the 1987 U.S. stock market crash.

Research on the stability of market integration, on the other hand, indicates that volatility affects cross market correlations. Harvey and Viskanta (1994), Lin, Engle and Ito (1994), Longin and Solnik (1995, 2001), Karolyi and Stulz (1996), De Santis and Gerard (1997). Their results indicate that the co-movements of equity markets increased significantly after the crash, implying that the benefits of international diversification decreased considerably.

In spite of the fact that bonds have their own idiosyncrasies in terms of the risks specific to them, their relatively less risk level compared to the equity, lures fund managers throughout the world to diversify internationally to have a significant proportion of fixed income instruments (bonds) in their portfolios.

The bond markets integration, however is less in degree when compared to its stock counterpart. This gives significant diversification benefits in the fixed income security (bond) markets.

The Benefits of international diversification in bonds by Haim Levy and Zvi Lerman (1988) says that the risk reduction available from international diversification in stocks is well documented, however very less research has been devoted to bonds as a component of internationally diversified portfolio.

Smart investors and Fund managers always keep their tab on the market, and keep searching for avenues where they can park their assets for a higher return. Although equity markets are more prominent investment opportunity and has increased during the past decade, yet the bond market (i.e. trading of fixed income security instruments) still command their dominance over the equity market in terms of the size/volumes traded.

AMITY BUSINESS SCHOOL

AMITY BUSINESS SCHOOL

The numerous number of bond markets around the world, can be at times a source of confusion for the fund managers. A helpful input for them could be, if these various bond markets, scattered and diverse in their various aspects be clubbed together into smaller number of homogeneous groups.

However, Like equity trading, bonds also trade on exchanges across the globe and all the exchange is unique and of its own kind.

DATA and VARIABLES

A total of 28 exchanges were selected from World Federation of Exchanges (WFE) official website spanning 5 continents, and the following data (annual figures) were extracted from each of them for a period of 6 years (from 2005 to 2010):

No. of trades in bonds: No. of trading participants: No. of new bonds listed: No. of bonds listed (the meanings and definitions are given in Appendix1).

Out of them the below mentioned three were constructed for analysis:

New capital raised by bonds (Total amount of fresh capital infused in the market by the virtue of new bonds issued through various bodies)

1. New capital raised by bond.
2. Value of bonds listed
3. Total value of trading of the bonds

Total value of bond trading

The bond trading value is the total number of bonds traded multiplied by their respective matching prices. The table indicates the value of bond trading split into domestic private, domestic public and foreign bonds.

Value of bonds listed

Bonds are fixed-income financial instruments, issued by governments, local authorities and state-owned or private organizations. They may be listed or traded in one or several exchanges, and ensure predetermined levels of returns in the form of interest rate. Interest rates may remain fixed throughout the bond's life or vary according to the bond's terms of listing. Data represent the number of bonds listed multiplied by their price at year-end.

We have also collected data on following two variables:

Short Selling

Whether Short selling is allowed or not. This variable served as a categorical variable.

Derivatives Trading

Whether Derivatives Trading is allowed or not. This variable served as a categorical variable.

So far the regression analysis is concerned, we have considered Trading volume/Total value of band Trading/Value of bonds listed as our dependent variable and the variables that were considered as independent variables are, permission of Short selling on those exchanges, permission of derivatives trading on the exchanges. They are categorical in nature.

So far the clustering of exchanges are considered we have used all these five variables for that.

OBJECTIVE

As mentioned above there are substantial differences among the Bond markets / exchanges in terms various parameters like their ways of functioning, regulations, operations, grievance redressal mechanism put in place etc. Our objective here is to group the most similar of these exchanges into clusters, based on certain their distance / proximity measures.

Apart from this, our another objective is also to make an assessment of the impact of these differentiating parameters on the economic growth of that country.

PROPOSITION/HYPOTHESIS

From the objective(s) of our study it follows that that we may propose the following hypothesis:

H0: Trading volume/Total value of band Trading/Value of bonds listed in the bond market is influenced by whether short selling and/or derivatives trading are allowed

Ha: Trading volume/Total value of band Trading/Value of bonds listed in the bond market is not influenced by whether short selling and/or derivatives trading are allowed.

METHODOLOGY

The study has been conducted in two steps, whereby we found that the exchanges of the different continents have similitude among them and from the same continent have differences.

First we employed cluster analysis (using the squared Euclidean distance as the measure of distance between exchanges) to get clusters of exchanges belonging to the certain groups. We found four such major clusters, at a distance of 0.2 (At higher distances the number of clusters will reduce, terminating into one all encompassing cluster) indicated in Table 2.

Next we ran three regression analyses using the following explanatory variables:

1) GDP of the respective country, to which the exchange belongs (The log transformed form of the variable was used for the regression)

2) Permission of Short Selling, allowed or not were used as dummy variable (Short selling allowed=1, Short Selling not allowed=0)

3) Permission of Derivatives trading, allowed or not were used as dummy variable (derivatives trading allowed=1, Derivatives trading not allowed=0)

The Explanatory variables were common through all the three dependent variables used in the three regression models. The dependent variables are:

1) The amount of new capital raised in these exchanges through bonds.

2) The total amount of total value of bond trading that took place on these exchanges.

3) The total value of trading of bond that took place on these exchanges.

ANALYSIS OF DATA

i) **Descriptive Statistics:**
   Putting the table below,

Table 1			
	New Capital raised by bond	Value of bond listed	Total Value of bond Traded
Mean	3380178.958	25226425.5	13561848.5
Median	3235424.965	26798594.5	13242116
Variance	3.05965E+11	1.41E+14	1.45E+13
Standard Deviation	553140.7928	11891934.51	3806808.33
Coefficient of variation	0.163642458	0.47140783	0.280699812

ii) **Cluster Analysis**

Cluster analysis was utilized to club the similar exchanges together, on the basis of statistical proximity (squared Euclidean distance). A priori knowledge suggests us, that exchanges based on the same continent will be similar in their characteristics, than those based on different landmasses.

However, the cluster that we obtain reveals that this is not the case. We find that, at a distance of 0.2 (Euclidean distance), there are four major clusters:

Table 2			
CLUSTER 1	CLUSTER 2	CLUSTER 3	CLUSTER 4
Bermuda Stock Exchn	New Zealand Stock Exchange	Osaka Stock Exchange	Columbia Stock Exchange
Swiss Exchn.	Thailand Stock Exchange	Tokyo Stock Exchange	Korea Stock Exchange
Buenos Aires.	Borsa Italiana (Italy Stock Exchange)	Budapest Stock Exchange	
Lima Stock Exchange	Shanghai Stock Exchange		
TSX (Toronto Stock Exchn.)			
Bursa Malaysia			
Mexico Stock Exchn.			
Sao Paolo Stock Exchn.			
Hong Kong Stock Exchn.			
Bombay Stock Exchn. (BSE)			
Taiwan Stock Exchn.			
Amman Stock Exchn.			
National Stock Exchn. (NSE)			
Warsaw Stock Exchn.			

iii) Regression Analysis

The table summarizes the results of an analysis of variance. The sum of squares, degrees of freedom, and mean square are displayed for two sources of variation, regression and residual. The output for Regression displays information about the variation accounted for by the model. The output for Residual displays information about the variation that is not accounted for by the model, and the output for Total is the sum of the information for Regression and Residual. A model with a large regression sum of squares in comparison to the residual sum of squares indicates that the model accounts for most of variation in the dependent variable. Very high residual sum of squares indicate that the model fails to explain a lot of the variation in the dependent variable, and you may want to look for additional factors that help account for a higher proportion of the variation in the dependent variable. The mean square is the sum of squares divided by the degrees of freedom. The F statistic is the regression mean square (MSR) divided by the residual mean square (MSE).

(Please refer to appendix 3 for the models).

CONSOLIDATED RESULT

We have results of three different regression models, so we put them in an abridged form here for easy interpretation.

In the first model, the explanatory variables are not doing a good job in explaining the variation of the dependent variable (log of new capital raised in an exchange through bonds), however the intercept term turns out to be significant at 5% significance level. Although it has a statistical interpretation, but there is no important economic interpretation of it.

In the second model, we find a much better model fit, when compared to the first model. Here the independent variables are able to explain approximately 25% of variation of the dependent variable (log Total value of bonds traded). The examination of individual independent variable reveals that ln GDP is significant at 5% level of significance.

The third and final model, shows that the overall model is again not a very good fit, but here also the intercept term turns out to be significant at the 5% level of significance. The independent variables here could neither cumulatively, nor individually significantly explain the variation of the dependent variable (log Value of bond listed on the exchanges).

We next postulated that as the economy is performing well, the activities in the fixed income security market should also follow suit. After controlling for the market structures like short selling etc., we again ran three regression analysis to check the variability on the three variables.

We found that the second model is able to explain the variation of the dependent variable (Total value of bond traded), the other two are not significant enough.

CONCLUSION

The results of the paper, would be useful in providing a roadmap for the global managers, who has to look at various exchanges, across the globe for better returns and factors propelling that.

This paper gives him the complexity in an easy to interpret, clustered, manner, and delineates the significances of the various explanatory variables on different dependent variables.

LIMITATIONS OF THE STUDY

The study has almost taken care of all the major exchanges of the world, but still the result could be refined more by the inclusion of more exchanges, and the influence of other independent variables (e.g. important macroeconomic variables) could be tested to decipher the pattern of bond listing, bond trading etc. on the exchanges throughout the globe.

Appendix 1.

No. of trades in bonds:

The total number of trades in bonds represents all trades which have taken place on the exchange during the period. The number is single counted.

No. of trading participants:

Trading participants are the dealers, brokers, brokers-dealers, and individuals acting as principals who trade on the exchange through direct access to the trading system. Clearing and settlement members are excluded.

No. of new bonds listed:

This presents the number of new bonds listed during a given year issued by the different categories of issuers, and split into domestic public bonds, domestic private bonds, and foreign bonds.

No. of bonds listed:

This table presents the number of bonds listed by the different categories of issuers, and split into domestic public bonds, domestic private bonds, and foreign bonds. A single issuer may list many securities with different maturities.

No. of bond issuers:

The total number of bond issuers represents the number of organizations which issued the fixed-income instruments listed on the exchange. These issuers are broken down into domestic private, public, and foreign entities.

- **Domestic private bonds** include corporate bonds, bonds issued by domestic banks and financial institutions

- **Domestic public bonds** include government state-owned organizations bonds and bills, state-related institutions whose instruments are guaranteed by the state, and municipal bonds

- **Foreign bonds** listed on the exchange are issued by non-resident institutions: foreign governments, banks, financial institutions, supranational organizations (EIB, EBRD, World Bank, …). They also include eurobonds (bonds issued under a law of a state different from the one of the issuer and placed in a foreign country inside the euro zone).

An issuer may list bonds with different maturities, but the total number of issuers is unchanged.

Value of bond listed:

Bonds are fixed-income financial instruments, issued by governments, local authorities and state-owned or private organizations. They may be listed or traded in one or several exchanges, and ensure predetermined levels of returns in the form of interest rate. Interest rates may remain fixed throughout the bond's life or vary according to the bond's terms of listing.

Data represent the number of bonds listed multiplied by their price at year-end.

Exchanges publish a bond market value at a notional value (signaled in a footnote).

New capital raised by bonds:

Total amount of fresh capital infused in the market by the virtue of new bonds issued through various bodies.

Appendix 2.

New Capital raised by fixed income security (bond):

Total amount of fresh capital infused in the market by the virtue of new bonds issued through various bodies.

Total value of bond trading:

The bond trading value is the total number of bonds traded multiplied by their respective matching prices. The table indicates the value of bond trading split into domestic private, domestic public and foreign bonds.

Value of bonds listed:

Bonds are fixed-income financial instruments, issued by governments, local authorities and state-owned or private organizations. They may be listed or traded in one or several exchanges, and ensure predetermined levels of returns in the form of interest rate. Interest rates may remain fixed throughout the bond's life or vary according to the bond's terms of listing. Data represent the number of bonds listed multiplied by their price at year-end.

Appendix 3:

1st model:

Log new capital raised by bond = alpha + beta1 ln GDP + beta2 Short sell + beta 3 Derivative trading + error

Number of Observations Read   28

Number of Observations Used   28

Dependent Variable: log new capital raised by bond

In our first model, the residual sum of squares is very large and hence, our F value is inadequate, so our model fails to explain a lot of variation.

Source	Degree of freedom	Sum of Squares	Mean Square	F value	Pr > F
Model	3	1.67	0.55	0.11	0.95
Error	24	119.21	4.96		
Total	27	120.89			

Model: MODEL1

Root MSE	R square	Dependent mean	Adj R square	CoeffVar
2.22	0.0139	9.73	-0.109	22.83

Parameter Estimates

Variable	Label	Degree of freedom	Estimate	Error	t value	Pr > mod t
Intercept	Intercept	1	9.13	1.88	4.85	0.0001
Ln GDP	Ln GDP	1	0.01	0.30	0.04	0.9674
Short sell	Short Selling	1	0.56	1.36	0.41	0.6839
Derivatives	Derivatives	1	0.079	1.25	0.06	0.9503

As we can see, only the intercept term is significant in this model, rest all have very less t value.

2nd model

Log Totalvalue of bond traded = alpha + beta1 ln GDP + beta2 Short sell + beta 3 Derivative trading + error

Number of Observations Read   28

Number of Observations Used   28

Analysis of Variance

This model, is relatively better in terms of explanation of variation of dependent variable with respect to variation in independent variable, when compared to the first model. The F value (measure of overall goodness of model) is higher than first model.

Source	Degree of freedom	Sum of Squares	Mean Square	F value	Pr > F
Model	3	118.01	39.33	2.65	0.0717
Error	24	356.22	14.84		
Total	27	474.23			

Root MSE	R square	Dependent mean	Adj R square	CoeffVar
3.85	0.24	8.43	0.15	45.66

Variable	Label	Degree of freedom	Estimate	Error	t value	Pr > mod t
Intercept	Intercept	1	-0.10	3.25	-0.03	0.97
Ln GDP	Ln GDP	1	1.35	0.52	2.58	0.016
Short sell	Short Selling	1	-0.28	2.36	-0.12	0.905
Derivatives	Derivatives	1	0.2179	2.17	0.10	0.9210

The independent variable ln GDP is significant at 5% level of significance.

3rd model:

Log total value of bondlisted = alpha + beta1 ln GDP + beta2 Short sell + beta 3 Derivative trading + error

Number of Observations Read	28
Number of Observations Used	28

Source	Degree of freedom	Sum of Squares	Mean Square	F value	Pr > F
Model	3	12.09	4.03	0.42	0.742
Error	24	231.9	9.66		
Total	27	244			

Root MSE	R square	Dependent mean	Adj R square	CoeffVar
3.10	0.0495	11.85	-0.069	26.22

Variable	Label	Degree of freedom	Estimate	Error	t value	Pr > mod t
Intercept	Intercept	1	12.97	2.62	4.94	0.0001
Ln GDP	Ln GDP	1	-0.375	0.422	-0.89	0.3825
Short sell	Short Selling	1	0.584	1.909	0.31	0.76
Derivatives	Derivatives	1	1.06	1.755	0.60	0.551

Here again the intercept term is significant.

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BIOGRAPHIES

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Employees' Perception Towards CSR Practices in Banking Sector

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Corporate Social Responsibility has become an indispensable tool in shaping the corporate success in the era of global market. Now days, business operates in an environment in which societal concerns have been raised to a considerable level. The significant impact of CSR is widely seen in business today as consumers increasingly base their opinion on factors like treatment of employees, community involvement and environmental issues, instead of traditional factors like product quality, value for money and financial performance.Business organizations are increasingly eager to present themselves as good corporate citizens and try to show a genuine interest in a variety of social issues like the condition of the environment, well being of employees and welfare of society at large. In addition to this, employees especially young and highly trained employees, want a sense of purpose in their work.

Present paper seeks to examine and analyse the perception of employees of three banks -Jammu &Kashmir Bank, Punjab National Bank and State Bank of India in Jammu towards CSR practices. Study reveals that employees have below average level of perception towards overall CSR practices particularly considerations, environment consideration and general considerations.

Keywords: CSR, Banking, Employee Perception

INTRODUCTION

Corporate Social Responsibility also known as CSR, corporate conscience, corporate citizenship, social performance, or sustainable responsible business, is a form of corporate self-regulation integrated into a business model. CSR Policy functions as a built-in self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and International norms. The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through the activity on the environment, consumers, employees, communities, stakeholders, and all other members of the public spherewho may also be considered as stakeholders.

The entirety of CSR is discerned from the three words 'corporate', 'social' and 'responsibility' which covers responsibilities, corporations have towards the societies and within which they are located and are to operate (MIAMI, 2009). Recognizing those values, ethics, behaviour of firms have significant impact on society.More emphasis was put on different aspects of CSR by the academicians, researchers and entrepreneurs. (Abreu, David and Crowther, 2005).

However, till date, there is no legally binding global code of conduct for the corporations for practicing CSR. The practice of CSR is still voluntary act and subject to self regulation. In other words, it is all about the idea how business corporations have to meet society's expectations in their practices (Gossling and Vocht, 2007). Nevertheless, majority of the corporations function under an obligation to

maximize shareholder's earnings by undertaking actions that increase business profit and create value along with taking interests of varied groups such as employees, customers, suppliers, the government and the community (Singh, Sanchez and Bosque, 2007). CSR is also assessed in terms of variables such as employee satisfaction, corporate productivity and efficiency, social welfare, awareness and social accountability of managers and directors. It is seen that the companies engaging in CSR and are socially responsible are investing and following ethical codes, humane social policies, corporate citizenship and proactive environmental procedures; which reduces corporate risks, boosts the creativity and loyalty of the workforce and improve financial performance (Fafaliou, Lekakou and Theotokas, 2005). Although CSR is well accepted concept, however researchers have given different viewpoints on CSR. For instance, Friedman (1970) opined that there is one and only one social responsibility of business, that is, used to utilize properly its resources and engage in activities designed to increase its profits by following rules of ethical codes without undergoing fraud or deception. Carroll (1979), one of the international researchers in CSR, argued that business encompasses the economic, legal, ethical and discretionary expectations that society has about organization at a given point in time. Similarly Drucker (1984) argued, that CSR when applied to business, turns a social problem into economic opportunity and economic benefit is turned into productive capacity, human competence, well paid jobs and ultimately leading to wealth generation. Maignan and Ferrell (2004) conceptualised CSR from broader perspective. They linked CSR with stakeholders orientation, based on generation, dissemination and responsiveness. CSR in its another aspect has been defined by the Commission of the European Communities (2002) as a concept by which the companies decide how to voluntarily contribute to a better society and a cleaner environment (Beltratti, 2005). CSR can also be anlaysed from the economic and financial perspectives. According to this perspective, CSR is considered as a programme of actions to reduce the externalized costs or to avoid the distributional conflicts. It also suggests that there is a resource

allocation role for CSR programmes in cases of market failure and also where distributional disagreements are strong (Heal, 2005). Capaldi (2005) identified four CSR areas that include environment, marketing, recruitment and international business. More recently, Singh, Sanchez and Bosque (2007) considered'corporate social' and 'commercial responsibilities' as two significant indicators of CSR. 'code of ethics', 'sustainability reporting and environment management system', 'environmental management', 'responsible financial product' and 'social conduct' are noted as significant CSR indicators by Scholtens (2009).

Dimensions of CSR

The organizations should integrate social, environmental, economic, legal, ethical and discretionary expectations that society has towards them at a given point in time. The dimensions generally considered to be contributing to CSR, as reviewed from literature include customers, communities, employees, ethics and the environment (Bhimani and Soonawalla, 2005 and Valentine and Flieschman, 2008). These are briefly discussed as under:

Employees

Employees are considered as one of the significant dimensions of CSR. The firms that have good relations with employees are likely to have substantially more enthusiastic work force with lower turnover rate. Thus with an exceptionally lower turnover rate and very high employee morale, firms can provide competitive advantage in attracting potential employees (Cochran, 2007). Further, such firms tend to support progressive labour relation policies, safety, financial security and workplace amenities (Valentine and Fleischman, 2008). At the same time, firms should avoid social discrimination and practice equal treatment for all and develop good health and safety policies for improving their CSR image (Castaldoet al., 2009). The parameters that contribute in the development of CSR image of firms include employee satisfaction, employee retention and loyalty, employee productivity, employee commitment, leadership

and internal service quality (Payne, Holt and Frow, 2000).

Community

Another important dimension of CSR is community. The responsible organization is committed to develop a philosophy that works for the development of community. Perse, the organization needs to maintain a proper relationship with the community and society through involving in activities such as charity, donations, maintenance of garden, parks, roads, etc. (Sheth and Babiak, 2009 and Wulfson, 2001).

Environment

The environmental management has become important for the firms in minimizing environmental degradation in various ways like reduction in waste generation, energy consumption and efficient use of resources like water, air, energy and promotion of green shelters (Baxi and Ray, 2009 and Zairi, 2000). Such firms can make contribution to the achievement of the global sustainability goals by taking initiatives to minimize negative environmental impact of the products and of the processes (Maccarrone, 2007). This dimension therefore helps to know how much a company is sensitive to the ecological issues (Castaldoet al., 2009).

The service firms directly and indirectly can help in controlling pollution. The supply and development of green or socially responsible financial products, aiming at reduction of energy use and green house gases etc. can work for the sustainable development of such firms (Scholtens, 2009).

Ethics

Organizational ethics is a company's adoption of desired ethical standards and business practices. Companies promote an ethical culture/climate by establishing positive values that influence employees' ethical beliefs and actions and ultimately contributing to CSR practices (Valentine and Fleischman, 2008). Being ethical and socially responsible is the most important strategy, which

firms can have to meet the objective of long term profitability (Etheredge, 1999). The firms should set an example of transparent, rational and objective functioning and develop a positive image through performing activities which can meet societal needs (Sheth and Babiak, 2009). The organizations should provide specialized training to give guidance to employees about organizational ethical procedures and values, so that their execution of work can meet set ethical standards (Valentine and Fleischman, 2008).

Customers

Globalization has set in motion the forces that shift power from producers (who make goods) to customers who buy and use them (Palazzi and Starcher, 2006). In market economies, if any single factor that can distinguishe the successful company from others, it is putting the customer first (Payne, Holt and Frow, 2000). Successful companies build lasting relationships with customers by focusing on understanding their needs and requirements and providing them superior product quality (Palazzi and Starcher, 2006). The value that organizations deliver to the customers has greater impact on CSR. This ultimately is concerned with the profits obtained from them over their long-term association with them.

CSR and Business Performance

The effect of CSR on the economic performance is found to be inconsistent in the literature (Balabanis, Phillips and Lyall, 1998). Some studies such as McGuire, Sundgren and Schneeweis (1988), suggest that there exists negative relationship between social responsibility and economic performance as high investment in social responsibility activities such as making charitable contributions, promoting community development plans, maintaining plants in economically depressed locations and establishing environmental protection procedures, result in added costs. On the contrary, Spicer (1978), Rosen, Sandler and Shani (1991), Graves and Waddock (1994) and Pava and Krauz (1996), suggest positive association between CSR and business performance. Valentine and Fleishman (2008) found that CSR plays the mediating role between ethical

programmes followed in organizations and employees job satisfaction. Further, Berens, Riel and Rekom (2007) viewed that CSR maximizes the positive impact and minimises the negative impact of the organizations on the environment. Overall, it can be concluded that CSR activities improve firms' reputation and relationship with stakeholders, customers, investors, government officials etc. in the long run.

CSR and Banks

Banking system plays an important role in the socio-economic development and affects sustainable development of the nation (Scholtens, 2009). Banks today act as financial intermediaries in the society as they price and value financial assets, monitor borrowers, manage financial risks and organize payment system. By performing these functions, banks have a huge impact on society (Scholtens, 2009). CSR in banking sector can be considered as an organizational commitment to operate in an economically and environmentally sustainable manner while recognizing the interests of all its stakeholders (Achua, 2008). As such, banks need to be socially responsible as CSR enables them to attract high quality employees, charge comparatively high fees, negotiate better deals, expand customer base, attract more investors and win public trust (Achua, 2008). The major benefits of practising CSR practices/activities include strong reputation, improved brand recognition, sustainable product brand loyalty and improved government and community relations (Achua, 2008). Further, CSR in banking sector is important as the banking business strives on public trust and confidence. The continual interaction with different stakeholder requires banks to improve the economic satisfaction of consumers and employees without impairing the environment, that is without depleting natural resources and subjecting the employees to dehumanize working conditions and support environment friendly activities (Achua, 2008).

LITERATURE REVIEW

The literature reviewed reveals that CSR practices are being followed in varied service and manufacturing industries. Scholtens (2009) and Achua (2008) investigated CSR practices of international banks operating in Europe, North America, Japan and Australia and the ongoing reforms in the Nigerian banking system. Both the researchers used four CSR indicators viz, 'code of ethics,' 'sustainability reporting and environment management' 'responsible financial product' and 'social conduct' are used to study CSR activities of the banks.

Doane (2005), Heal (2005) and Balabanis, Hugh and Lyall (1998) examined the minnows, mammoths and CSR from economic and financial perspective and its relationship with financial market whereas researchers such as Valentine and Fleischman (2008), Tokoro (2007), Wulfson (2001) and Zairi (2000) examined the relationship between ethics, job satisfaction, philanthropic ventures and stakeholders from value creation perspective and its impact on the society.

Jamali and Keshishian (2009) investigated the role of Non Governmental Organizations which have acquired increasing prominence on the socio economic landscape. The authors remarked that NGO's are pursuing five types of partnerships that fall in the realm of CSR in context to developing country.

Singh, Sanchez and Bosque (2007) gave multidimensional perspective to examine consumer perception with respect to consumer market for four leading consumer product manufacturers. The dimensions used include 'corporate social' and 'commercial responsibilities'. The study identified employees, customers, suppliers, the government and the community under 'corporate''social' and ethical, legal and philanthropic activity under 'commercial responsibilities' undertaken by the multinational corporations.

Berens, Riel and Rekom (2007) examined that good CSR can compensate for a relatively poor corporate Ability (CA). The dimensions used for measuring CSR included company's product, Stocks and jobs.

Fafaliou, Lekakou and Theotokas (2005) conducted a study in the awareness of CSR in shipping industry.

Three approaches namely competitive approach based on competitiveness (and not on profit), stay within the rules based on profit and supportive approach (moving beyond the compliance of the rules) are discussed in the paper. Among the CSR dimensions, maximum awareness of the majority of companies was with respect to health and safety, codes of conduct and environmental activities and rest dimensions include community relation, participation of public interest, social responsiveness, lifelong learning, support of deprived groups, charity giving and better relations with customers.

The literature reviewed above authenticates that growing number of companies are embracing the concept of CSR and feeling the need to clarify what it actually means. But past studies have not yielded on encompassing view of CSR that enable the coordination of various social responsibilities initiative. The literature reviewed also reveals that CSR practices in service sector has received less importance in comparison to merchandise sector. This is primarily because CSR concept was initially perceived to be related only with manufacturing sector and the services sector was being excluded from its purview.

It is in this context, present study has been undertaken with special focus on employees perception towards CSR practices in Banking sector.

OBJECTIVE OF THE STUDY

1. To examine and analyse the perception of employees towards CSR practices of three banks.

2. To indentify significant findings and evolve strategies to enhance CSR image of the banks.

Hypothesis 1. There exists significant difference in the perception of employees towards CSR practices of the three banks, both dimension-wise and overall.

Hypothesis 2. There exists significant difference in the perception of employees belonging to different income, education, age and gender groups.

Hypothesis 3 There exists significant positive relationship between CSR dimensions namely community considerations, employees considerations, environment considerations, ethical considerations, general considerations and CSR impact in the banks from the perspective of the employees.

RESEARCH METHODOLOGY

The pre-testing was done on total thirty employees taken from the three banks namely JKB, PNB and SBI operating in Jammu city on the basis of convenience sampling to finalize the questionnaire. The exercise of pilot study led to the refinement of the questionnaire with addition and deletion of items on the basis of inter-item correlation. About eleven items were deleted and activities relating to environment, community, employees and ethics were added on the basis of suggestions from the bank employees and experts. The CSR scale finally comprised 78 items relating to CSR.

The final questionnaire to measure bank personnel perception towards CSR comprised two sections (Appendix). The first section dealt with dimensions of CSR in banks relating to employees' considerations, community considerations, ethical considerations, environment considerations, general considerations and CSR impact. All the items in respective CSR dimensions were based on 7-point Likert Scale. The second section is related with demographic profile which included information on gender, age, marital status, qualification, position, income and total experience. In addition, general perception of employees and managers about bank's involvement in CSR activities is also considered.

Sample Design

At the outset, the list of JKB, PNB and SBI branches as on 20.07.2008 were taken from the RBI, Jammu, which comprised 86 branches. Excluding branches situated in remote of far flung areas all the branches of the three banks operating in Jammu city were selected for data collection. As such 40 branches of JKB (out of 53 branches), 15 branches of SBI (out of 16 branches) and all the 17 branches of PNB form the part of the study.

Selection of Respondents and Data Collection

Four employees from each branch including one manager and three employees with atleast 3 years of experience and recommended by the respective managers were identified for the sample selection. Total of 40 managers from JKB, 15 from SBI and 17 from PNB were contacted for data collection using personal contact and distribution approach. About 4 to The effective response rate came out to be 80% for JKB managers, 66.67% for SBI managers and 52.94% for PNB managers. The response of employees came to be 78.13% for JKB employees, 76% for SBI employees and 74.6% for PNB employees

Statistical Tools

Various univariate, bivariate and multivariate were tools used to classify and analyse the data. The exploratory factor analysis was used to reduce total number of items into few manageable and meaningful items for CSR. The principal component analysis with varimax rotation was applied on data to minimize the number of items with high loading on one factor and to enhance the interpretability of the factors (Malhotra, 2003) Bartlett test of Sphericity (significant) and KMO value equal to and greater than 0.50 criteria were used to find out relevancy of data reduction and grouping of factors for factor analysis. Further degree of correlation coefficient (significant) equal to or greater than 0.30 was used as a criterion to check convergent validity (among items) and discriminant validity (among factors) (Hair et al., 2005). Cronbach alpha and split half cronbanch alpha values were used to find out the reliability of the CSR scale and factors used. In addition, multiple regression analysis and t-test ANOVA were used to test various hypotheses relating to CSR practices in banks.

Demographic Profile of Employees

The demographic profile of bank employees is given in Table 5.1. The sample of bank employees (JKB, PNB and SBI) consists of 56.3 percent males (103 respondents) and 43.7 percent females (80 respondents), 42.6 percent of respondents are found to be in age group-II (AG - II) that is (21 to 40 years)

and rest 57.4 percent fall in age group-III (AG-III) that is (41 to 60 years). About 89.1 percent and 10.9 percent of respondents are found to be married and unmarried respectively. Qualification-wise respondents fall in four educational groups which include 2.7 percent respondents in group-I (Matriculation), 4.9 percent in group-II (Higher Secondary), 68.3 percent respondents in group-III (Graduates) and 24 percent in group-IV (Post graduates). Further 47.5 percent of employees belong to income group I (IG-I) with monthly income uptoRs. 20,000, 51.4 percent employees belong to income group II (IG-II) with monthly income between Rs. 21,000 - Rs. 40,000 and 1.1 percent employees in the last income group (IG-III) with monthly income between Rs. 41,000 Rs. 60,000. Bank experience wise, majority of employees have about 6 to 10 years of experience that is 43.7 percent, 25.1 percent employees with more than 15 years experience, 17.5 percent employees with 3 to 6 years experience and rest 13.7 percent have 10 to 15 years experience.

Reliability & Validity

Thecronbach alpha value of CSR scale for the overall sample is found to be 0.91 (Table 2) which is above the threshold value of 0.7 indicate high internal consistency of the scale. To further support the result, split-half reliability, both respondent and variable-wise are carried out. The split-half cornbach alpha values of CSR scale for the first and second split-samples are found to be 0.93 and 0.93 (respondent-wise) and 0.87 and 0.89 (item-wise) respectively, which again supported the reliability of the scale. Further, scale item-mean (3.84), item-variance (1.03) and inter-item correlation (0.12) also indicate good psychometric properties of the scale (Netemeyer, Bearder and Sharma, 2003). Factor-wise cronbach alpha values are arrived at 0.92 for community considerations, 0.85 for CSR impact, 0.80 for employees considerations, 0.81 for environment, 0.78 for ethical considerations and 0.75 for general considerations which also support internal consistency of the scale (Hair et. al., 2005). Majority of the alpha values for different factors under split-samples (respondent and item-wise) are also above the threshold criterion (Table 3).

The value of Kaiser Mayer Olkin measure of sampling adequacy (0.73) and variance explained (66.68) (Tables 5.2.2) indicate moderate construct validity of the scale (Kline 2005). The communality values of items ranged between 0.46 to 0.81 for community considerations, 0.44 to 0.68 for CSR impact, 0.49 to 0.78 for employees considerations, 0.50 to 0.71 for environment considerations, 0.39 to 0.74 for ethical considerations and 0.80 for general considerations and factor loading values ranged between 0.67 to 0.91 for community considerations, 0.68 to 0.84 for CSR impact, 0.53 to 0.79 for employees considerations, 0.59 to 0.80 for environment considerations, 0.60 to 0.86 for ethical considerations and 0.72 to 0.74 for general considerations signify moderate construct validity of the data (Tables 5 to 10).

Majority of correlation coefficient values among items of five variables that is, community considerations, CSR impact, employees considerations, environment considerations and ethical considerations. are found to be significant and varying between 0.47 to 0.86 for community considerations, 0.35 to 0.74 for CSR impact, 0.17 to 0.62 for employees considerations, 0.40 to 0.60 for environment considerations, 0.34 to 0.72 for ethical considerations. The correlation is found to be 0.60 between community health projects and job for the local people of general considerations. The findings reveal average convergent validity of the scale (Table 4).

Further, discriminant validity among CSR factors is examined through correlation among different factors. All the values range between 0.01 to 0.49 indicating average discriminant validity (Table 5) (Netemeyer, Bearder and Sharma, 2003).

Employees Perception towards CSR Practices of Banks

The KMO (0.73) and BTS (chi-square = 3390.152, df = 406 p = 0.000) values indicate that data is quite adequate for factor summarisation. The application of varimax rotation method at eight iterations identifies six factors which explain 66.68 percent variance (Table 3). The six factors are christened as community considerations, CSR impact, employees considerations, environment

considerations, ethical considerations and general considerations. The detailed analysis of the factors is given as under.

Factor 1: Community Considerations

The six items namely 'activities relating to environmental protection' (FL = 0.91, MS = 3.73), 'community relations through charitable actitivities ' (FL = 0.88, MS = 3.69), 'welfare schemes' (FL = 0.87, MS = 3.89), 'community relations through financial support' (FL = 0.85, MS = 3.55), 'policy for handicapped persons' (FL = 0.79, MS = 3.70), 'relationship with local community' (FL = 0.67 MS = 3.96), fall in first factor that is, community consideration. The factor 1 depicts below average perception of employees towards community considerations of the banks. The factorial mean is valued at 3.75 and variance at 17.81 percent, out of total variance of 66.68 percent. All the communality values of items are found to be above 0.50 excluding value 0.46, arrived at for 'relationship with local community' (Table 5).

Factor 2: CSR Impact

The factor '2' comprises six items namely 'social image', 'economic image', 'integrated organizational strategies', 'adequate focus on social, ethical and environmental responsibilities' 'good overall performance' and 'social v/s economic goals' which have scored factor loading values of 0.84, 0.80, 0.73, 0.73, 0.72 and 0.68 and mean score values of 3.93, 3.98, 3.99, 4.11, 4.02, and 3.85 respectively which reveal that impact of social banking performance on CSR is almost average (Table 6). Further, Maignan and Ferrell (2004) opine that social image and economic image are important for the development of CSR image of a concern. This is also supported by researchers namely Scholtens (2009) and Zairi (2000). The factor demonstrates 15.82 percent of variance (Table 6).

Factor 3: Employees Considerations

The employees consideration dimension recognises seven items that include 'quality of life', 'effective core business operations', 'distribution of cash/non cash items to the needy people', 'benefits to employees', 'boosting employee

morale', 'advances to celebrate festivals' and 'training programmes' with factor loading values of 0.79, 0.75, 0.72, 0.67, 0.58, 0.55 and 0.53 respectively. Achua (2008) also remarks that organizations should provide economic satisfaction to employees without subjecting them to dehumanise working conditions to build social image of the organization. The factor demonstrates 12.87 percent variance (Table 7).

Factors 4: Environment Considerations

The study identifies environment dimension as a significant component of CSR practices, which is also remarked by Chirstensenet al., (2007). Chirstensenet al., (2007) view that ethics and preservation of resources for further generation are important for companies to establish CSR image. The factor loading and mean score values for 'policy to protect environment', (FL = 0.80 & MS = 3.69), 'environmental impact', (FL = 0.79 & MS = 3.63), 'environment friendly decisions ', (FL = 0.76 & MS = 3.66) and 'socially responsible decisions' (FL = 0.59 & MS = 3.84) with respective communality values as 0.66, 0.71, 0.68, and 0.50. The factor demonstrates 9.57 percent of variance out of 66.68 percent of variance. The employees perception is somewhat less than moderate towards environment dimension of CSR practices of banks as factorial mean is arrived at 3.71 (Table 8).

Factor 5: Ethical Considerations

The factor has taken four items namely 'acts ethically', 'ethical decisions', 'effective utilization of resources' and 'timely response to stakeholders complaints'. The respective factor loading values of items are arrived at 0.86, 0.81, 0.72 and 0.60 and respective mean score values are arrived at 4.04, 4.11, 4.05 and 4.08. The factorial mean of ethical consideration is found to be 4.07 and the communality values of the items ranged between 0.39 to 0.74 (Table 9). The results reveal average perception of employees towards ethical considerations.

Factor 6: General Considerations

This factor has taken two items which include 'community health projects' and 'jobs for the local people' with factor loading values as 0.74 and 0.72 and communality values as 0.80 and 0.80 respectively. The factorial mean, that is, 3.78 reflects that employees perception of CSR activities is little less than average for general consideration factor. This factor demonstrates 3.84 percent as variance explained out of total variance of 66.68 percent (Table 10).

HYPOTHESES TESTING RESULTS

Overall Perception of Employees

The overall perception of employees of the three banks is found to be same for overall CSR practices (Table 11). Dimension wise, there exists similarity in the perception of employees with respect to community considerations, employees considerations, environment considerations and ethical considerations and dissimilarity with respect to CSR impact and general considerations. Hence, hypothesis 1 is rejected.

Demographic Characteristics and Overall Perception

The perception of employees belonging to age, gender, income and qualification towards overall CSR practices is similar. Hence, the hypothesis 2 is rejected.

Relationship Between CSR Practices and CSR Impact

The relationship of community considerations, employees considerations, environment considerations, ethical considerations and general considerations with CSR impact is examined using multiple regression. The values indicate that all CSR dimensions are independent and the influence of multicollenearity is not significant (Table 12). The multiple regression results reflect that environment considerations (β= 0.30) followed by community considerations (β= 0.05) and employees considerations (β= 0.00) positively impact CSR image of the banks whereas ethical considerations and general consideration impact the banking social performance negatively. However, overall the results show that the impact of all factors on CSR is insignificant excluding general considerations factors which shows significant negative value. Thus, the hypothesis 3 that all the dimensions impact CSR significantly is rejected.

Limitations and Future Research of the Study

The research is conducted amidst certain limitations:

1. The elements of subjectivity could not be avoided as employees might have been hesitant to provide accurate response to the items. But at the same time, an endeavour was made using validity and reliability analysis to check the objectivity and rationality of the responses.

2. The study being focused on three banks operating in Jammu can be extended to generalize the findings across region, state and country. Further, the study results need to be examined for other national and foreign banks.

3. CSR is conceptualized in terms of employees, community, environment, ethical, general considerations and their impact on business performance. Perceived risk, which includes social risk, time risk and technological risk and other mediating and moderating factors such as corporate governance, perceived rests, corporate reputations need to be included for examining their impact on CSR practices of the banks.

4. The CSR practices and their impact on business performance need to be examined in other service sectors such as insurance sector, healthcare sector, education sector, etc. to establish the CSR framework from services perspective.

Table 1: Item Statistics, Scale Statistics and Cronbach Alpha Value for CSR Scale

Item Statistics	Item Mean	Mean	3.84
		Variance	0.05
	Item Variance	Mean	1.03
		Variance	0.17
	Inter-item Correlations	Mean	0.12
		Variance	0.04
Scale Statistics		Mean	299.66
		Variance	791.86
		Standard Deviation	28.14
Reliability Statistics		**Sample I**	**Sample II**
	Item-wise	0.87	0.89
	Respondent-wise	0.93	0.93
	Overall	0.91	

Table 2: Factor-wise Cronbach Alpha () Values for Overall Sample and Split Samples (Item and Respondent-wise) and KMO and Cumulative Variance Values for CSR Scale

CSR Variables	Overall Sample	Split-Samples			
		Respondents		Items	
	Cronbach Alpha	Sub- Sample I	Sub- Sample II	Sub- Sample I	Sub- Sample II
Community Considerations	0.92	0.69	0.85	0.83	0.51
CSR Impact	0.85	0.86	0.89	0.87	0.73
Employees Considerations	0.80	0.76	0.78	0.76	0.49
Environment Considerations	0.81	0.75	0.86	0.80	0.68
Ethical Considerations	0.78	0.78	0.64	0.77	0.38
General Considerations	0.75	0.74	0.78	1.00	1.00
Overall	0.80	0.58	0.88	0.80	0.81
Total Cumulative Variance Explained (%)	66.68				
KMO	0.73				

Table 3: Item-wise Degree of Correlation for CSR Dimensions in Banks (Convergent Validity)

Items	Factor 1: Community Considerations						Items	Factor 4: Environment Considerations			
	1	2	3	4	5	6		1	2	3	4
1	1						1	1			
2	0.77	1					2	0.60	1		
3	0.80	0.72	1				3	0.56	0.60	1	
4	.078	0.86	0.69	1			4	0.40	0.46	0.45	1
5	0.64	0.65	0.68	0.61	1						
6	0.54	0.52	0.57	0.45	0.47	1					

Items	Factor 2: CSR Impact						Items	Factor 5: Ethical Considerations			
	1	2	3	4	5	6		1	2	3	4
1	1						1	1			
2	0.74	1					2	0.72	1		
3	0.47	0.51	1				3	0.52	0.50	1	
4	0.52	0.67	0.56	1			4	0.38	0.34	0.39	1
5	0.65	0.41	0.43	0.39	1						
6	0.35	0.35	0.59	0.43	0.41	1					

Items	Factor 3: Employees Considerations							Items	Factor 6: General Considerations	
	1	2	3	4	5	6	7		1	2
1	1							1	1	
2	0.42	1						2	0.60	1
3	0.47	0.57	1							
4	0.62	0.28	0.48	1						
5	0.56	0.36	0.34	0.29	1					
6	0.23	0.54	0.25	0.21	0.17	1				
7	0.27	0.42	0.34	0.27	0.23	0.35	1			

All the values of correlation are significant at the 0.01 level * values less than 0.5

Note: The detailsof 1 to 6 items each of community considerations, CSR Impact, 1 to 7 items of employees consideration, 1 to 4 each of environment considerations, ethical considerations and 1 to 2 items of general considerations are mentioned in the respective tables i.e. 5.3.1 to 5.3.6.

Table4: Variable-wise Degree of Correlation Values Relating to CSR Practices of Banks (Discriminant Validity)

Variables	Community Consideration	CSR Impact	Employees Consideration	Environment Consideration	Ethical Considerations	General Consideration
Community Consideration	1					
CSR Impact	0.01	1				
Employees Consideration	0.03	0.05	1			
Environment Consideration	0.08	0.23	0.23	1		
Ethical Considerations	0.25	-0.06	0.28	-0.09	1	
General Consideration	0.02	0.01	0.08	0.49	0.01	1

All the values of correlation are significant at the 0.01 level

Table 5: Mean, Factor Loading, MSA, percentage of Variance and Communality Values for Community Considerations Dimension of CSR

S. No.	Factors	Mean	Factor loading	MSA	Variance (%)	Communalities
Factor 1: Community Considerations						
1.	Activities relating to environmental protection	3.73	0.91	0.89	17.81	0.81
2.	Community relations through charitable activities	3.69	0.88	0.84		0.81
3.	Welfare schemes	3.89	0.87	0.87		0.78
4.	Community relations through financial support	3.55	0.85	0.83		0.77
5.	Policy for handicapped persons	3.70	0.79	0.97		0.64
6.	Relationship with local community	3.96	0.67	0.94		0.46
Factorial Mean		3.75				

Table 6: Mean, Factor Loading, MSA, percentage of Variance and Communality Values for CSR Impact

S. No.	Factors	Mean	Factor loading	MSA	Variance (%)	Communalities
Factor 2: CSR Impact						
1.	Social image	3.93	0.84	0.71	15.82	0.68
2.	Economic image	3.98	0.80	0.72		0.67
3.	Integrated organisational strategies	3.9	0.73	0.84		0.60
4.	Adequate focus on social, ethical and environmental responsibilities	4.11	0.73	0.84		0.62
5.	Good overall performance	4.02	0.72	0.74		0.50
6.	Social V/s economic goals	3.85	0.68	0.81		0.44
Factorial Mean		3.98				

Table 7: Mean, Factor Loading, MSA, Percentage of Variance and Communality Values for Employees Considerations Dimension of CSR

S. No.	Factors	Mean	Factor loading	MSA	Variance (%)	Communalities
Factor 3: Employees Considerations						
1.	Quality of life	4.00	0.79	0.72	12.87	0.78
2.	Effective core business operations	4.22	0.75	0.71		0.72
3.	Distribution of cash / non cash items to the needy people	4.21	0.72	0.78		0.56
4.	Benefits to employees	4.15	0.67	0.70		0.61
5.	Boosting employee morale	3.92	0.58	0.76		0.51
6.	Advances to celebrate festivals	4.08	0.55	0.78		0.68
7.	Training programmes	4.15	0.53	0.89		0.49
Factorial Mean		4.10				

Table 8: Mean, Factor Loading, MSA, Percentage of Variance and Communality Values for Environment Considerations Dimension of CSR

S. No.	Factors	Mean	Factor loading	MSA	Variance (%)	Communalities
Factor 4: Environment Considerations						
1.	Policy to protect environment	3.69	0.80	0.79	9.57	0.66
2.	Environment impact	3.63	0.79	0.76		0.71
3.	Environment friendly decisions	3.66	0.76	0.79		0.68
4.	Socially responsible decision	3.84	0.59	0.86		0.50
Factorial Mean		3.71				

Table 9: Mean, Factor Loading, MSA, Percentage of Variance and Communality Values for Ethical Considerations Dimension of CSR

S. No.	Factors	Mean	Factor loading	MSA	Variance (%)	Communalities
Factor 5: Ethical Considerations						
1.	Acts ethically	4.04	0.86	0.68	6.77	0.74
2.	Ethical decisions	4.11	0.81	0.69		0.71
3.	Effective utilization of resources	4.05	0.72	0.83		0.60
4.	Timely response to stakeholders complaints	4.08	0.60	0.85		0.39
Factorial Mean		4.07				

Table 10: Mean, Factor Loading, MSA, Percentage of Variance and Communality Values for General Considerations Dimension of CSR

S. No.	Factors	Mean	Factor loading	MSA	Variance (%)	Communalities
Factor 6: General Considerations						
1.	Community health projects	3.77	0.74	0.50	3.84	0.80
2.	Jobs for the local people	3.78	0.72	0.58		0.80
Factorial Mean		3.78				

Table 11: Variable-wise and Overall CSR Results of ANOVA for Different Demographic Groups

Groups	CSR Practices	F	p-value
Bank	Community Considerations	3.29	0.04
	Employees Considerations	0.86	0.43
	Environment Considerations	7.00	0.00
	Ethical Considerations	3.26	0.04
	CSR Impact	8.73	0.00
	General Considerations	0.65	0.53
	Overall CSR	2.92	0.06
Gender	Overall CSR Practice	0.18	0.68
Income	Overall CSR Practice	0.61	0.54
Age	Overall CSR Practice	0.21	0.65
Qualification	Overall CSR Practice	1. 18	0.32

Table 12: Standardized Coefficients Values and Collinearity Statistics of CSR Dimensions (Employees)

Variables	Standardized Coefficients		Collinearity Statistics		
	Beta	t-values	Sig.	Tolerance	VIF
Community Considerations	0.05	0.61	0.54	0.93	1.07
Employees Considerations	0.00	0.05	0.96	0.86	0.17
Environment Considerations	0.30	3.43	0.00	0.71	1.42
Ethical Considerations	-0.04	-0.55	0.58	0.84	1.19
General Considerations	-0.14	-1.65	0.10	0.76	1.32
Dependent Variable – CSR Impact					

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Impact of Total Quality Management (TQM) on Employees' Job Satisfaction: An Empirical Study

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In the early twentieth century, quality management meant inspecting products to ensure that they met specifications. In the 1940s, during World War II, quality became more statistical in nature. Statistical sampling techniques were used to evaluate quality, and quality control charts were used to monitor the production process. In the 1960s, with the help of so-called "quality gurus," the concept took on a broader meaning. Quality began to be viewed as something that encompassed the entire organization, not only the production process. Since all functions were responsible for product quality and all shared the costs of poor quality, quality was seen as a concept that affected the entire organization. The aim of the study is to examine the impact of TQM implementation on employees' job satisfaction. The study explored to seek the degree of impact of TQM practices poses to benefit the employees and measuring the relationship between TQM and employees' job satisfaction. In this study, a primarily data sources were retrieved through questionnaire circulated to Intelenet Global Services Private Limited. A structured questionnaire was developed containing 12 items on various aspects of TQM dimensions for evaluating relationship and impact of TQM on job satisfaction. Independent sample t-test, ANOVA, Pearson Correlation, Linear regression analysis was undertaken. Findings have implications for the effective and efficient implementation of TQM.

Keywords: Total Quality Management, Job Satisfaction

Introduction

Global competition and economic liberalization are creating opportunities for Indian organizations. They use "quality" to compete with other organizations to improve their market share. The well-known quality approaches like ISO 9000, total quality management (TQM) and Six Sigma have helped them to achieve their goal. TQM is one of the important quality improvement techniques, which many firms are using to achieve success. TQM has been widely implemented throughout the world across different industries and sectors. Total quality management (TQM) is a key strategy for maintaining competitive advantage and is a way of managing organizations to improve its overall effectiveness. Research has confirmed the strategic benefits of quality programs and better quality is proven to contribute to greater market share and return on investment, lower manufacturing costs; improve productivity and improves the area of strategic performance. The importance of the TQM culture is enhanced through its impact on employee morale and work attitudes (Dose, 1997). Consequently, job satisfaction is likely to be influenced by aspects of TQM. Job satisfaction is important because of well-established association with a range of organizational outcomes.

The concept of quality has existed for many years, though it's meaning has changed and evolved over

time. The roots of Total Quality Management (TQM) can be traced back to early 1920s when statistical theory was first applied to product quality control. This concept was further developed in Japan in the 40s led by Americans, such as Deming, Juran and Feigenbaum. The focus widened from quality of products to quality of all issues within an organization the start of TQM.

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

The term 'total quality' was used for the first time in a paper by Feigenbaum at the first international conference on quality control in Tokyo in 1969. The term used for today's new concept of quality is TQM. Having observed Japan's success of employing quality issues, western companies started to introduce their own quality initiatives. TQM, developed as a catchall phrase for the broad spectrum of quality-focused strategies, programmes and techniques during this period, became the centre of focus for the western quality movement.

TQM IN CURRENT SCENARIO

A typical definition of TQM includes phrases such as: customer focus, the involvement of all employees, continuous improvement and the integration of quality management into the total organization. Although the definitions were all similar, there was confusion. It was not clear what sort of practices, policies, and activities needed to be implemented to fit the TQM definition.

Total Quality Management (TQM) is a management philosophy which focuses on the work process and people, with the major concern for satisfying customers and improving the organizational performance. It involves the proper coordination of work processes which allows for continuous improvement in all business units with the aim of meeting or surpassing customer's expectations. It emphasizes on totality of quality in all facets of an organization with the aim of reducing waste and rework to reduce cost and increase efficiency in production.

The type of organizations that use TQM varies from large to small, private to public and from manufacturing to service organizations. The aims of the businesses may differ, but the importance of customers is a matter of common interest and the ability of organizations to adapt to new customer requirements on a global market is of vital importance for long-term success. Quality management has been recognized as a major edge for competitiveness and long-term profitability. TQM is not merely a tool or method that is ready for use, but there is a set of underlying principles and philosophies that must be applied in the unique organizational context.

TQM is applicable to any organization irrespective of size, and motives, even the public sector organization are fast adopting the ideology in order to make them effective in meeting public demands. However, the adoption of the ideology by most organization has been hampered due to their own compliance with the procedures and principles of TQM implementation. While some organization, run TQM like a program which they expect to function and perform the magic all by itself, others have used a half hearted approach to it, by using some bits and pieces of the principles. This has accounted for the failure of most organization in meeting up to their expected target from implementing this ideology.

Total Quality Management (TQM) refers to management methods used to enhance quality and productivity in organizations, particularly businesses. TQM is a comprehensive system approach that works horizontally across an organization, involving all departments and employees and extending backward and forward to include both suppliers and clients/customers.

IMPACT OF TQM ON JOB SATISFACTION

Employee job satisfaction is one of the most extensively researched employee work-related attitudes in the literature of business and management. Job satisfaction is one's attitude towards his job (positive or negative). Satisfaction in work and the work environment is the basic constituent of employee job satisfaction. Employee attitudes and values influence their behavior. Positive outlook and backup from HR helps modify behavior resulting in higher performance levels. Job satisfaction implies doing a job one enjoys, doing it well, and being suitably rewarded for one's efforts.

NEED AND SIGNIFICANCE OF THE STUDY

Quality management has been identified as the prime driver for enhanced business performance. Over the past two decades, companies experienced dramatic changes in business environment characterized by such phenomenon as increasing consumer consciousness of quality, rapid technology transfer, globalization and low cost competition. In response to these challenges, many companies have joined the quality movement and implemented various quality improvement initiatives as a means to enhanced competitiveness. However, there seems to be a lack of systematic study of the status of TQM-based research studies to understand the current practices and improvement opportunities on their quality management journey towards Total Quality Organizations. To facilitate their drive towards higher quality levels, many companies are using self-assessment tools to measure their current status on TQM and to plan future process improvement activities.

RESEARCH METHODOLOGY

TQM is universally accepted as one of the most understood change management programmes and is one of the strategies for confronting the global competitive challenge facing both manufacturing and service industries. Numerous frameworks have been proposed for TQM implementation elements and various studies have also been carried out to identify elements for the successful manifestation of TQM in an organization. Most of the previous studies are theoretical and only few provide empirical evidence to support their conclusion. The aim of the study is to examine the impact of TQM implementation on employees' job satisfaction. The study explored to seek the degree of impact of TQM practices poses to benefit the employees and measuring the relationship between TQM and employees' job satisfaction. In this study, a primarily data sources were retrieved through questionnaire circulated to Intelenet Global Services Private Limited. A structured questionnaire was developed for evaluating relationship and impact of TQM on job satisfaction. Thus using the dimensions identified in questionnaire, the concept of library service quality from the user's perspective was explored. The dimensions are: Reward and recognition, Customer focus, Organizational culture, Organizational trust, Teamwork.

The specific objectives of the study were to determine:

a) to study the perceptions of employees towards TQM practices affect their job satisfaction.

b) to identify satisfaction of the employees on individual dimensions of TQM viz, reward and

recognition, customer focus, organizational culture, organizational trust, teamwork

c) to highlight relative importance assigned by the users to five dimensions of TQM.

In order to achieve these objectives, following hypotheses were formulated:

H1: There is no significant mean difference among employees in terms of the demographic variables, viz, age, gender, education.

H2: There is no significant correlation between TQM dimensions and overall job satisfaction of employees.

H3: The TQM dimensions are not significant predictors of employees' job satisfaction.

ANALYSIS AND INTERPRETATION OF FINDINGS

The significant value of the t-test in independent sample t-test table is 0.05. As the significant value of the statistics are greater than 0.05, we assume that the groups have equal variances. The column labeled sig. (2-tailed) indicates the probability from the t-distribution. All the values under this column are greater than 0.05. Thus the findings reveal that there is no significant mean difference between male and female employees on any of the parameters of Total Quality Management.

Effort was also made to find out if there is any significant difference in the perceptions of employees towards total quality management with different age groups.

Table 1: Independent sample t-test to determine differences in relationship between TQM and job satisfaction on gender basis				
Levene's Test for Equality of Variances			t-test for equality mean	
Variables	F	Sig.	Sig.(2-tailed)	Mean Difference
Reward and recognition system within the company	10.334	.002	.115	-.37340
Rewards relationship and task accomplishments based on work quality	.056	.813	.334	-.19071
The company's compensation system encourages team and individual contributions	.190	.664	.205	-.29006
The company conducts market research in order to collect suggestions for improving its products.	.415	.521	.790	-.06090
This company collects extensive complaint information from customers	.086	.769	.859	.04167
A comprehensive culture exist within the company to support and enhance effective people and team processes	.478	.491	.450	.17628
Operators are empowered to take direct action whenever they encounter a problem that will impact quality, cost or output	.561	.456	.313	.19071
Openness, honesty and constructive feedback are highly valued and demonstrated as organizational traits.	1.238	.269	.892	-.03045
The organization's practices of core values and key beliefs are evident and real.	.010	.921	.055	-.46474
I am more comfortable working in a team rather than individually.	.048	.826	.085	-.39263
Work within this department is appointed around groups	.941	.334	.995	.00160

Table 2: One way ANOVA test to determine differences in employees' perceptions towards Total Quality Management on the basis of different age groups.		
Variables	F	Sig.
Reward and recognition system within the company	.425	.655
Rewards relationship and task accomplishments based on work quality	3.590	.031
The company's compensation system encourages team and individual contributions	.287	.751
The company conducts market research in order to collect suggestions for improving its products.	.343	.710
This company collects extensive complaint information from customers	1.487	.231
A comprehensive culture exist within the company to support and enhance effective people and team processes	4.425	.014
Operators are empowered to take direct action whenever they encounter a problem that will impact quality, cost or output	1.581	.211
Openness, honesty and constructive feedback are highly valued and demonstrated as organizational traits.	.464	.630
The organization's practices of core values and key beliefs are evident and real.	.461	.632
I am more comfortable working in a team rather than individually.	.585	.559
Work within this department is appointed around groups	.758	.471

The significant value of the F test in ANOVA table is 0.05. Findings reveal that here is no significant mean difference among age groups except on the "Rewards relationship and task accomplishments based on work quality", "A comprehensive culture exist within the company to support and enhance effective people and team processes".

Table 3: Post Hoc Test on the "Rewards relationship and task accomplishments based on work quality".			
Dependent Variable	(I) Age	(J) Age	Mean Difference (I-J)
Rewards relationship and task accomplishments based on work quality	Less than 20 years	20-30 years	.58929
		30-40 years	.47321
A comprehensive culture exist within the company to support and enhance effective people and team processes	Less than 20 years	20-30 years	-.57143
		30-40 years	-.99107

Table 4: One way ANOVA test to determine differences in employees' perceptions towards Total Quality Management on the basis of differences in educational qualification.		
Variables	F	Sig.
Reward and recognition system within the company	1.336	.262
Rewards relationship and task accomplishments based on work quality	2.678	.036
The company's compensation system encourages team and individual contributions	1.798	.136
The company conducts market research in order to collect suggestions for improving its products.	.756	.557
This company collects extensive complaint information from customers	3.366	.013
A comprehensive culture exist within the company to support and enhance effective people and team processes	3.574	.009
Operators are empowered to take direct action whenever they encounter a problem that will impact quality, cost or output	.878	.480
Openness, honesty and constructive feedback are highly valued and demonstrated as organizational traits.	.999	.412
The organization's practices of core values and key beliefs are evident and real.	1.563	.191
I am more comfortable working in a team rather than individually.	1.752	.145
Work within this department is appointed around groups	1.541	.197

Post Hoc Tests indicates that the employees within the age group of 20 years are satisfied with "Rewards relationship and task accomplishments" in relation to total quality management. Employees within the age group of 20-30 years to 30-40 years are satisfied with "Comprehensive culture exists within the company to support and enhance effective people and team processes".

The significant value of the F test in ANOVA table is 0.05. Findings reveal that here is no significant mean difference among educational qualification groups except on "Rewards relationship and task accomplishments based on work quality", "This company collects extensive complaint information from customers", "A comprehensive culture exist within the company to support and enhance effective people and team processes".

Findings reveal that here is no significant mean difference among educational qualification groups except on "Comprehensive culture exists within the company to support and enhance effective people and team processes", "I am more comfortable working in a team rather than individually".

In order to test the second research objective, viz, there is no significant correlation among the employees towards TQM dimensions and overall satisfaction, correlational analysis was undertaken on each of the five dimensions of TQM.

Table 5: One way ANOVA test to determine differences in employees' perceptions towards Total Quality Management on the basis of differences in income group.		
Variables	**F**	**Sig.**
Reward and recognition system within the company	.439	.726
Rewards relationship and task accomplishments based on work quality	1.072	.365
The company's compensation system encourages team and individual contributions	.386	.763
The company conducts market research in order to collect suggestions for improving its products.	.487	.692
This company collects extensive complaint information from customers	2.041	.113
A comprehensive culture exist within the company to support and enhance effective people and team processes	3.066	.032
Operators are empowered to take direct action whenever they encounter a problem that will impact quality, cost or output	1.182	.321
Openness, honesty and constructive feedback are highly valued and demonstrated as organizational traits.	.436	.728
The organization's practices of core values and key beliefs are evident and real.	1.426	.240
I am more comfortable working in a team rather than individually.	5.106	.003
Work within this department is appointed around groups	2.362	.076

Table 6: Correlation between TQM dimensions and overall satisfaction among employees.							
		Reward and recognition	Customer focus	Organizational culture	Organizational trust	Team work	Overall Satisfaction
Reward and recognition	Pearson Correlation	1	.187	.122	.011	.052	.408(**)
	Sig. (2-tailed)		.063	.226	.914	.610	.000
	N	100	100	100	100	100	100
Customer focus	Pearson Correlation	.187	1	.372(**)	.038	.099	.224(*)
	Sig. (2-tailed)	.063		.000	.704	.325	.025
	N	100	100	100	100	100	100
Organizational culture	Pearson Correlation	.122	.372(**)	1	.178	.086	.205(*)
	Sig. (2-tailed)	.226	.000		.077	.395	.041
	N	100	100	100	100	100	100
Organizational trust	Pearson Correlation	.011	.038	.178	1	.371(**)	.254(*)
	Sig. (2-tailed)	.914	.704	.077		.000	.011
	N	100	100	100	100	100	100
Teamwork	Pearson Correlation	.052	.099	.086	.371(**)	1	.398(**)
	Sig. (2-tailed)	.610	.325	.395	.000		.000
	N	100	100	100	100	100	100
Overall Satisfaction	Pearson Correlation	.408(**)	.224(*)	.205(*)	.254(*)	.398(**)	1
	Sig. (2-tailed)	.000	.025	.041	.011	.000	
	N	100	100	100	100	100	100

*** Correlation is significant at the 0.01 level (2-tailed).*
** Correlation is significant at the 0.05 level (2-tailed).*

Table 7: Model Summary of predictors of satisfaction with library services				
Model 1	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.408	.166	.158	.92063
2	.556	.309	.295	.84243

a   Predictors: (Constant), Reward and recognition

b   Predictors: (Constant), Reward and recognition and Teamwork

Table 8: Findings of Stepwise Linear Regression							
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
		B	Std. Error	Beta	B	Std. Error	
1	(Constant)	1.824	.463		3.937	.000	
	Reward and recognition	.584	.132	.408	4.419	.000	
2	(Constant)	.729	.489		1.490	.139	
	Reward and recognition	.556	.121	.388	4.592	.000	
	Teamwork	.373	.083	.378	4.476	.000	

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The findings indicated that there is strong correlation among the five TQM dimensions and overall employees' satisfaction at p<0.01 level. Therefore, the hypothesis is rejected. Thus, employees give weightage to all the five dimensions of TQM. In order to test the hypothesis that TQM dimensions are not significant predictors of employees' job satisfaction, effort was made at model building.

The model summary table (table 7) reports the strength of the relationship between the model and the dependent variable. R, the multiple correlation coefficients (0.556) reflects the linear correlation between the observed and model-predicted values of the dependent variable. R square indicates that 30.9% of the variance in overall satisfaction is explained by reward and recognition and teamwork.

The stepwise linear regression indicates that Reward and recognition and Teamwork dimensions are the major predictors of the overall employees' job satisfaction. Therefore, the hypothesis is rejected. Thus dimensions of total quality management are significant predictors of the overall job satisfaction of the employees.

CONCLUSION

TQM is the mutual co-operation of everyone in an organization and associated business processes to produce products and services, which meet and, hopefully, exceed the needs and expectations of customers. TQM is both a philosophy and a set of management guiding principles for managing an organization. Organizations should be well informed the benefits of TQM practices. In other words, encouraging TQM practices produce beneficial effect on people. When fully implemented, TQM brings good benefits to organization in term of quality, productivity, and employee development. People are most important resources in dedicating their effort of achieving the high level of quality product and service. The findings indicated that there is strong correlation among the five TQM dimensions and overall employees' satisfaction at p<0.01 level. The stepwise linear regression indicates that Reward and recognition and Teamwork dimensions are the major predictors of the overall employees' job satisfaction. Dimensions of total quality management are significant predictors of the overall job satisfaction of the employees. The employees gave weightage to all the five dimensions of TQM. Findings of this study conclude that recognition, training, teamwork, leadership, communication and ethics affect the employee job satisfaction in the firm. It indicates that TQM practices are positively correlated with employees' job satisfaction. This study gives a clear understanding to the top management in the development of soft TQM practices towards the job satisfaction. The development of TQM practices should provide useful measures for investigating the relationship between TQM practices and Job satisfaction particularly in relation to the Intelenet global services.

RECOMMENDATION

➤ Top management needs to change the employees mind when they are resistance to changes. Top management has to trust the employees and empower them to solve the problems.

➤ A special cell should be formed in the personnel department to establish and fill the communication gap between management and employees who shall try to reduce grievances as well as various problems.

➤ There should be a separate department for research and development (R&D) and should be given due consideration as it helps in improvisation of products and preferences of customers.

➤ Top management should give attention and hear the employees' suggestions. Top management needs to make sure that all level of the employees' such as the operational, process

officers to line workers in the firm, understand the quality initiatives and motive.

➤ The firm needs to determine the short term and long term training clearly that is with the firm vision. The correct training programs will benefit all the employees. The firm also needs to decide good evaluation system in evaluating the training and development programs.

➤ In reality employees are the assets of the organization so the efforts should be made on the part of management to treat their employees as valuable assets because without them even the modern machines or technologies are useless because ultimately these machines will be operated by them and it cannot work by itself, so there can be no question of productivity without valuing its human resource.

➤ Monetary and non-monetary incentives should be increased for middle and lower rung employees as it will affect a lot on productivity and also inculcate a feeling of belongingness.

➤ High cost of providing quality service is a major hindrance to the implementation of TQM, in organizations and so is the hindrance in Intelenet so, the cost has to lower down to implement the TQM program.

➤ In today's scenario, TQM should be considered as a long term investment to achieve the desired results otherwise it will hamper the organization only.

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Differential Implications of
IFRS Implementation in INFOSYS Ltd.

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Growing consensus on adopting International Financial Standards across the world has prompted authors to undertake a study on implementation of IFRS in Indian Corporate houses and to make it more focused; INFOSYS Ltd. has been selected for the study. First of all, an intensive review of literature was undertaken in order to understand the importance the IFRS confers. IFRS was proposed to be launched in India in stages and some companies have already implemented it within the right time frame though not completely. Consolidated Statements of INFOSYS Ltd. have been extracted that have been prepared as per IFRS and used as secondary sources of data in order to understand its differential implications on various items of financial statements. After studying the financial statements, its effect on various items was analyzed and concluded that for adopting IFRS in its true sense, a complete overhaul of financial treatments is needed.

Keywords: Convergence, GAAP, IFRS, INFOSYS Ltd.

INTRODUCTION

The after effects of financial crisis (2008) are seen till date. Major question has been raised against Stock markets which were previously treated as the indicators of financial health of any economy. They failed to predict and depict the current and future of movements of stocks in concrete terms. The situation aggravated in the absence of Uniform Accounting Standards across globe. Globalization of business environment made companies to list on stock exchanges of different nations and which in turn intensified the need for consistent worldwide reporting standards. IFRS fulfills this need by creating comparable, reliable, and transparent financial statements to facilitate greater cross-border capital raising, trade and better corporate governance practices. Thus, acceptance of IFRS is gaining momentum across the globe. India too, is not an exception to it. A lot of studies have been done on the benefits that this convergence will bring to the entities who are adopting IFRS for the first time. But a very little has been studied about implementation aspects of IFRS, the reason being, it is still in its nascent stage. Keeping this view in mind, this paper brings to light the implementation aspects of IFRS in India and to understand it in a focused manner; INFOSYS LTD has been selected for the study. First of all the relevance of IFRS implementation is understood with the help of intensive review of literature , then the researchers have tried to differentiate theory and practice of IFRS in Infosys Ltd. Later on, they have tried to bring out implications of IFRS on various items of Consolidated Income Statement.

OBJECTIVES OF THE STUDY

• To understand the importance of having internationally acceptable accounting standards across globe.

• To study the implementation of IFRS in INFOSYS Pvt. Ltd. and its differentials.

• To present the implications of IFRS implementation of various items of Consolidated Statements.

SIGNIFICANCE OF THE STUDY

As IFRS is still in its nascent stage, Indian corporates are very anxious about its impact, both long term and short term. Any kind of change causes anxiety and resistance, whether that change is minor or major and if one talks in the context of IFRS, it will lead to a complete overhaul of accounting treatments which raises many doubts in the minds of Indian corporate houses as they are the host. This very fact adds significance to this study as it would help policy makers and administrators to take careful actions based on the experiences of implementation of IFRS in INFOSYS Ltd.

RESEARCH METHODOLY

The researchers have chosen INFOSYS Ltd. for the purpose of the study as IFRS has already been implemented in the company. This study is descriptive and analytical in nature. No hypothesis is taken in the study as adoption of IFRS is still in progress and some of its provisions are still not implemented. Also an intensive review of literature has been undertaken to understand the benefits that IFRS confers. The main sources of secondary data are company's manual (Consolidated Annual reports of the company after convergence), annual general reports, journals, newspapers and related websites. Data has been analyzed and interpreted, the authors have elaborated the implications of IFRS implementation and the differences found and have studied its impact on various items of Consolidated Statements.

REVIEW OF LITERATURE

Anything new causes anxiety and this anxiety leads researchers to probe into the issue and carry on intensive research. When IFRS was proposed and launched all over the world, it aroused both positive and negative reactions as far as the after effects of IFRS were concerned. Researchers have gone through an intensive review of literature to understand the relevance of IFRS implementations.

Growing importance of uniformity in financial reporting in an environment of technology up-gradation and political reorganization of nations across globe enables to attract global entrepreneurs and investors by increasing the rate of investment and also leads to the integration of the individual economy to the International economy, Joseph (2000). La Porta et al. (1998) provides the first investigation of the legal system's effect on a country's financial system. They founds that common law countries have better accounting systems and better protection of investors than code law countries. In Finland which is a code law country and has a strong system of legal enforcement and high quality domestic accounting standards; IFRS has improved the usefulness of accounting information, but at the same time, there is a growing concern about reliability of those financial items that are prepared using judgment, Kannan(2003). In the same country, Lantto & Sahlstrom (2009) found that the adoption of IFRS changes the magnitude of the key accounting ratios and the adoption of Fair Value Accounting rules and stricter requirements on certain Accounting issues are the reasons for the changes observed in Accounting Figures and financial ratios. The majority of Accounting Quality indicators improved after IFRS adoption in the European Union and there is less of managing earnings towards a target, a lower magnitude of absolute discretionary accruals and higher accruals quality. This improved accounting quality is attributable to IFRS, rather than changes in managerial incentives, institutional features of capital markets and general business environment, Chen et al (2010). The firms applying IAS/IFRS

evidence less earnings management, more timely loss recognition and more relevance of accounting numbers. They also experienced an improvement in accounting quality between the pre-adoption and post adoption period, Barth et al (2008). Level of earnings management is lower for firms that report their results under US GAAP, whereas level of earnings management under German GAAP and IAS is roughly equal, Goncharov and Zimmermann (2007).In European Union, the transition from local GAAP to IFRS had a small but statistically significant impact on total assets, equity, total liabilities and among assets the most pronounced impact on intangible assets and property plant and equipment, Capkun et al. (2008). Siqi Li (2010) carried out a study of 1084 European Union firms during the period of (1995-2006), concluded that on an average, the IFRS mandate significantly reduces the cost of equity for mandatory adopters. And also the reduction is present only in countries with strong legal enforcement and that increased disclosures and enhanced information comparability are two mechanisms behind the cost of equity reduction. The capital markets of the countries that have adopted IFRS have higher degree of integration among them after their IFRS adoption as compared to the period before the adoption, Cai & Wong (2010). Also, the universal financial reporting standards increases market liquidity, decreases transaction costs for investors, lowers cost of capital and facilitates international capital formation and flows. In the context of India, where Banking sector has a dominant role to play, importance of corporate financial reporting in corporate governance and documentation of the changes occurred in corporate reporting practices is very much desirable, Kannan (2003). Indian Banks should also capitalize their underlying strengths, disclosure practices and social viability by improving their quality of financial reporting, Dangwal and Singh (2005). Capital markets will function better when publically traded companies apply single set of high quality accounting standards while preparing consolidated financial statements, Quigley (2007). IFRS have the potential to facilitate cross-border comparability and

increase reporting transparency, enabling stakeholders to understand the financial results of entities globally. Moreover, IFRS adoption could decrease information costs, thereby increasing the liquidity, competition and efficiency in the markets, (Ball 2006). Corporations might also benefit by reducing information asymmetry, enabling them to make more efficient investment decisions, and thus lowering their cost of capital (Choi and Meek, 2005). Investors may also benefit as it could lead to more-informed valuation of equity markets reducing the risk of adverse selection for the less-informed investors. From the above review of literature, it is very much clear that IFRS will benefit all entities.

IFRS/IAS

As per International Accounting Standards Committee May, 2000, "A single set of high quality, understandable and enforceable global accounting standards that require high quality, transparent and comparable information in financial statements and other financial reporting to help participants in the world's capital markets and other users make economic decisions"

Components of IFRS:

- International Financial Reporting Standards (standards issued after 2001).

- International Accounting Standards (standards issued before 2001).

- Interpretations from the International Financial Reporting Interpretations Committee (issued after 2001).

- Standing Interpretations Committee (SIC) - issued before 2001.

IFRS in India

Accounting Standards Board (ASB) formulates and issues accounting standards in India which are following the guidelines of IFRS except but there are certain exceptions also in which complete compliance is not possible due to difficulty of legal, regulatory and economic environment. In India, Ministry of Corporate Affairs carried out the process

of convergence of Indian Accounting Standards with IFRS after a wide range of consultative process with all the stakeholders in pursuance of G-20 commitment and as result thirty five Indian Accounting Standards converged with International Financial Reporting Standards (henceforth called IND AS).

Various categories of companies carried out the convergence of Indian Accounting Standards with IFRS with effect from 1 April' 2011. Following are the stipulated deadlines for companies other than banking, insurance and non-banking financial companies:

Phase	Companies covered	Opening balance sheet	First financial statements
Phase I	• Companies that are part of NSE - Nifty 50 Index • Companies that are part of BSE Sensex 30 Index • Companies that have shares or other securities listed in overseas stock exchanges ; and • Listed and Unlisted Companies with net worth in excess of Rs 1000 Crores	1 April; 2011	31 March 2012
Phase II	• Listed & Unlisted Companies with networth in excess of Rs 500 Crores but not exceeding Rs. 1000 Crores.	1 April; 2013	31 March 2014
Phase III	• Listed entities with networth of Rs 500 Crores or less	1 April; 2014	31 March 2015

Figure 1

Source: *The road to IFRS in India: A practical guide to IFRS 1 and first-time adoption by Grant Thornton*
Following are the deadlines for Insurance, Banking, Non banking financial companies:

Class of Companies	Criteria for phased implementation		Opening balance sheet	First financial statements
Insurance Companies	All Insurance companies		1 April 2012	31 March 2013
Banking Companies	• All Scheduled Commercial Banks		1 April 2013	31 March 2014
	• Urban Co-operative Banks with networth in excess of Rs. 300 Crores		1 April 2013	31 March 2014
	• Urban Co-operative Banks with networth in excess of Rs 200 Crores but not exceeding Rs. 300 Crores.		1 April 2014	31 March 2015
Non-Banking Financial Companies (NBFCs)	• NBFCs that are part of NSE - Nifty 50 Index • NBFCs that are part of BSE Sensex 30 Index • Listed and Unlisted NBFCs with networth in excess of Rs 1,000 Crores		1 April 2013	31 March 2014
	• All Listed NBFCs that do not fall into the above categories		1 April 2014	31 March 2015
	• Unlisted NBFCs that do not fall into the above categories and which have a networth in excess of Rs 500 Crores		1 April 2014	31 March 2015
Urban Co-operative Banks with networth less than Rs 200 Crores, Regional Rural Banks and Unlisted NBFCs with networth less than Rs 500 Crores are exempt from following the Converged Indian Accounting Standards, though they may voluntarily opt to do so.				

Figure 2

Source: *The road to IFRS in India: A practical guide to IFRS 1 and first-time adoption by Grant Thornton*

ADOPTION OF IFRS IN INFOSYS LIMITED.

Company overview

The Infosys Ltd. is a public limited company incorporated and domiciled in India and has its registered office at Bangalore, Karnataka, India. The company has its primary listing on the Bombay Stock Exchange and National Stock Exchange in India. The Company's American Depository shares representing equity shares are also listed on NASDAQ Global Select Market. The company's financial statements were authorized for issuance by the company's Board of Directors on April 13, 2012. The Infosys group of Companies provides business consulting, technology, engineering and outsourcing services to help clients build tomorrow's enterprise. In addition, the group offers software products for the Banking industry.

Infosys Limited ('Infosys' or 'the company'), along with its controlled trusts, majority owned and controlled subsidiary, Infosys BPO Limited ('Infosys BPO') and wholly owned and controlled subsidiaries, Infosys Technologies (Australia) Pvt. Ltd ('Infosys Australia'), Infosys Technologies (China) Co. Limited ('Infosys China'), Infosys Consulting India Limited (Infosys Consulting India'), I.L. de C.V(Infosys Mexico'), Infosys Technologies (Sweden) AB ('Infosys Sweden'), Infosys Technologia do Brazil Ltda ('Infosys Brazil'), Infosys Public Services Inc.('Infosys Public Services') and Infosys technologies (Shanghai) Co. Limited ('Infosys Shanghai'), is a leading global technology services company.

The following are the Consolidated Statements of Comprehensive Income which have been prepared after taking into consideration the IFRS mandate:

Consolidated Statements of Comprehensive Income

Particulars					31/3/2012	31/3/2011
Revenues			33,734	27,501		
Cost of sales			19,808	15,916		
Gross Profit	13,926	11,585				
Operating expenses						
Selling and marketing expenses					1,757	1,512
Administrative expenses					2,390	1,971
Total operating expenses					4,147	3,483
Operating profit	9,779	8,102				
Other income, net		1,904	1,211			
Profit before Income Taxes			11,683	9,313		
Income tax expense	3,367	2,490				
Net Profit			8,316	6,823		
Other Comprehensive Income:						
Fair value changes on available for sale financial asset, net of tax effect						
(Please refer to note 1 and 2)						

Exchange differences on translating foreign operations	169	49
Total other comprehensive income	161	37
Total comprehensive income	8,477	6,860
Profit attributable to :		
Owners of the company	8,477	6,860
Non-controlling interest	-	-
	8,477	6,860
Earning per equity share		
Basic	145.55	119.45
Diluted	145.55	119.41
Weighted average equity shares used in computing earnings per equity share:		
Basic	57,13,65,494	57,11,80,050
Diluted	57,13,96,142	57,13,68,358

Source: INFOSYS Annual report 2011-12

Consolidated Statements of Changes in Equity

In rupees crore except share data

Particulars	Shares	Share capital	Share premium	Retained earnings	Other components of equity	Total equity attributable to equity holders of the company
Balance as of April' 2010	**57,09,01,592**	**286**	**3,047**	**20,668**	**72**	**24,073**
Changes in equity for the year ended March' 2011						
	3,26,367	-	24	-	-	24
Shares issued on exercise of employee stock options						
	-	-	11	-	-	11
Income tax benefit on exercise of share options						
	-	-	-	(3,665)	-	(3,665)
Dividends (including corporate dividend tax)						
Fair value changes on available-for-sale financial assets, net of tax effect						
	-	-	-	-	(12)	(12)
Net profit						
	-	-	-	-	49	49
Exchange differences on translating foreign operations						

Balance as of March 31'2011	57,13,17,959	286	3,082	23,826	109	27,303
Changes in equity for the year ended March' 2012						
	78,442	-	6	-	-	6
Shares issued on exercise of employee stock options						
	-	-	1	-	-	1
Income tax benefit on exercise of share options						
	-	-	-	(2,326)	-	(2,326)
Dividends (including corporate dividend tax)						
Fair value changes on available-for-sale financial assets, net of tax effect						
	-	-	-	-	(8)	(8)
Net profit						
	-	-	-	8,316	-	8,316
Exchange differences on translating foreign operations	-	-	-	-	169	169
Balance as of March 31'2012	57,13,96,401	286	3,089	29,816	270	33,461

Source: INFOSYS Annual Report 2011-12

DIFFERENTIAL TREATMENT OF IFRS IN THE COMPANY'S CONSOLIDATED STATEMENTS.

The above Consolidated Statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board under the historical cost convention on the accrual basis except for certain financial instruments like prepaid gratuity benefits which have been measured at fair values. Accounting policies have been applied consistently to all periods presented in these consolidated financial statements. The researchers have minutely studied the differences in treatment of various items as per IFRS and made a comparative analysis with GAAP. The following are the key observations which emerge from the analysis:

Basis of Consolidation

IFRS reporting requires full retrospective application of IFRS to Profit and Loss and Balance Sheet by preparing Reconciliation Statement in respect of last year reported numbers under previous GAAP. Whereas, under GAAP, there is no need to prepare reconciliation on first time adoption. The financial statements of the Group are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies. Non-controlling interests which represent part of the net profits or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Components of Financial Statement (IAS-1)

Under GAAP, companies were required to prepare Balance Sheet as per Format Prescribed in Schedule VI for Companies Act 1956 and should adhere to Banking Regulations. For Income Statement, they should follow the Format prescribed in Schedule VI (AS-1) and Level 3 entities are exempted (AS-3) from preparing Cash flow Statement. Whereas IFRS prescribes no particular format for Balance sheet, a current/ non-current presentation of Assets and liabilities is used. For Income Statement also, no particular format is prescribed (IAS-1).Whereas it is mandatory for all entities (IAS-7) to prepare Cash flow Statements.

Use of Estimates (IAS-10)

The preparation of the financial statements in conformity with IFRS requires the management to make estimates, judgments and assumptions which in turn affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Dividends under previous GAAP were recognized as an appropriation against the Profit, and recorded as liability at B/S date even if declared subsequent to reporting period but before the approval of financial statements (AS-4). But now, liability relating to dividends is recognized in the Period when dividend is declared (IAS-10).

Revenue Recognition (IAS-18)

The company uses the percentage-of-completion method in accounting for its fixed-price contracts where the company estimates the efforts expended to date as a proportion of the total efforts to be expended due to a direct relationship between input and productivity. Provisions for estimated losses on uncompleted projects are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. As per IAS 18, the company has measured the revenue in respect of each separable component of a transaction at its fair value. In cases where the company is unable to establish objective and reliable evidence of fair value for the software development and related services, the company has used a residual method to allocate the arrangement consideration. In these cases, the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exit. License fees revenues are recognized when the general revenue recognition criteria given in IAS 18 are met. Objective and reliable evidence of the fair value is the price charged when the element is sold separately.

Income Taxes (IAS-21)

Under previous GAAP, Schedule VI to the Companies Act, 1956 specifies Indian rupees as the reporting currency (AS-11). Whereas, IFRS requires the measurement of Profit using the functional Currency. Entities may, however, present financial statements in a different currency (IAS-21). In case of INFOSYS Ltd, India and U.S. are two tax jurisdiction of the company from where they file tax returns in other overseas jurisdictions. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

Intangible Assets (IAS-3)

As per GAAP, there is no concept of indefinite useful life. Assets have definite life. (Usually 10 years). As per revised IFRS 3, Intangible assets can have indefinite useful life and hence such assets are tested for impairment and not amortized and significant estimates are required to be made in determining the

value of contingent consideration and intangible assets. The company has identified intangible assets and contingent consideration at fair value in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquire.

Property, Plant and Equipment(IAS-16)

Indian GAAP charges depreciation over the useful life of the asset, or schedule xiv rates, whichever is higher? and there is no requirement for component accounting (AS-10) whereas IFRS has mandated to allocate depreciation over the useful life of the asset (IAS-16) and also requires each major Property Plant Equipment with a cost that is significant in relation to total Cost, should be depreciated separately (IAS-16). The company depreciates property, plant and equipment over their estimated useful life using the straight-line method and any advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. The subsequent expenditure is capitalized only when it is probable that future economic benefits associated with these will flow to the group and the cost of the item can be measured reliably. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell.

Business Combinations (IAS-3)

As per the IAS 3, the cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized immediately in net profits in the Statement of Comprehensive Income.

Goodwill is measured at costless accumulated impairment losses. Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labor, overhead costs that are directly attributable to preparing the assets for its intended use. Research and development costs and software development costs incurred under contractual arrangements with customers are accounted as cost of sales.

Loans and Recievables (IAS-7)

Loans and receivables are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss or provisions for doubtful accounts. The company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known accounts of cash to be cash equivalents.

Available for Sale and Financial Assets (IAS-7)

These are non-financial derivatives that are either designated in this category or are not classified in any of the other categories and they are recognized initially at fair value plus transaction costs. After initial recognition, they are measured at fair value and changes other than impairment losses and foreign exchange gains and losses on available-forsale monetary items are recognized directly in other comprehensive income. When an investment is de-recognized, the cumulative gain or loss in other comprehensive income is transferred to net profit in the statement of Comprehensive Income.

Trade and other Payables (IAS-7)

They are also initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

Financial Assets or Fianancial Liabilities, at Fair Value Through Profit or Loss (IAS-39)

This category has two sub-categories wherein financial assets or financial liabilities are held for trading or are designated as such upon initial recognition. The company believes that these financial instruments constitute hedges from an economic perspective, they do not qualify for hedge accounting under IAS 39, Financial Instruments: Recognition and Measurement. Now any derivative that is either not designated a hedge, or is so designated but is ineffective as per IAS 39, is categorized as a financial asset, at fair value through profit or loss. Derivatives are initially recognized at fair value and attributable transaction costs are recognized in net profit in the Statement of Comprehensive Income when incurred. Subsequent to initial recognition, derivatives are measured at fair value through profit or loss and the resultant exchange gains or losses are included in other income.

Ordinary Shares and Treasury Shares

In case of Ordinary shares or equity, incremental costs are directly attributable to the issuance of net ordinary shares options are recognized as a deduction from equity, net of any tax effects. When any entity within the Group purchases the Company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are canceled, sold or reissued.

Goodwill

For the purpose of impairment testing, the goodwill acquired in a business combination is allocated to the Group's Cash Generating Units (CGU), which is expected to benefit from the association of the business combination. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of a CGU. The recoverable amount of the CGU is the higher of the fair value less cost to sell and its value-in-use. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU. An impairment loss is recognized in net profit in the Statement of Comprehensive Income and is not reversed in the subsequent period.

Reversal of Imapirement Loss

A reversal of impairment loss for an asset other than goodwill and available-for-sale financial assets that are equity securities is recognized in net profit in the Statement of Comprehensive Income. For available-for-sale financial assets that are equity securities, the reversal is recognized in other comprehensive income.

Provisions

A provision is recognized if, as a result of a pat event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Functional Currency

The functional currency of Infosys Limited, Infosys BPO Limited and Infosys Consulting India is the Indian rupee. The functional currencies for Infosys Australia, Infosys China, Infosys Mexico, Infosys Sweden, Infosys Brazil, Infosys Public services and Infosys Shanghai are the respective local currencies. These financial statements are presented in Indian rupees.

Transactions And Translations

Gains or losses arising from the translation of foreign currency denominated monetary assets and liabilities into relevant functional currency at exchange rates in effect on the Balance Sheet date are included in net profit in the Statement of Comprehensive Income. Whereas non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Earning Per Equity Share (IAS-33)

Under GAAP disclosure of EPS was mandated in both Consolidated and separate Financials (AS-20) whereas IAS-33 requires disclosure to be made in only consolidated financials of the Parent Co. Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is calculated by dividing the net profit attributable to the equity shareholders of the company by the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued upon conversion of all diluted potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable ha the equity shares been actually issued at fair value. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

CONCLUSION

This paper gives a complete and clear picture of relevance of adopting IFRS all over the world which is proved and stated by many research studies in this domain. Whether it is an entrepreneur or an investor, it helps in integration with the world economy especially in a code law country. The majority of Accounting Quality indicators improved after IFRS adoption in the European Union and earnings management also improved. IFRS has impact on total assets, equity, total liabilities and among assets the most pronounced impact on intangible assets and property plant and equipment. Also, the universal financial reporting standards increases market liquidity, decreases transaction costs for investors, lowers cost of capital and facilitates international capital formation and flows. It is also commendable that INFOSYs Ltd. has been a pioneer in adopting IFRS and the company has altered its polices in line with new rules of convergence, the effect of which is seen on various items of Consolidated Statements. Other companies also need to tie belts around their belly in order to stay ahead in this race….

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Book Reviews

Design for Services [Hardcover],
by Dr Anna Meroni and
Dr Daniela Sangiorgi, pgs. 314,
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Services are at the core of new economy in the twenty-first century. Since the initial days of people coming to live in groups, when theystarted taking care of each other through trading in extractive goods, service dispensations have come a long way through the intervening periods to assume their present role in the economy, as the groups became larger and larger than ever before. Consider personalised services, social services, administrative services, provisioning of utilities, and what not. In the communities, people indeed were, in essence, concerned to work for one another, serve one another, and earned their living by supporting each other in formalised industrial groups in factories and businesses.Scientific and technological developments were transforming societies from extractive orientation to industrial. A predominantly goods creation regime, corresponding to the technological advancements,

started making lives easier. Similarlyalso remained the focus in design thinking in those periods.

With more developments and growth in efficiency, people began finding time and opportunities towards improving their quality of lives thereby. As a direct consequence of development in the societies, its overwhelming associated economic pressures accorded prime focus to the conceptualisation and creation of newer agenda in businesses to support these new initiatives. For making those more profound, focussed, desirable, and cost-efficient, the need for more effective services started finding expression and articulation in the businesses, in general, and in the informed discourses, in particular, since quite some time now. The title in hand by Anna Meroni and DenielaSangiorgican be seen as an outgrowth of such engagement of minds on this theme over the recent years.Historically, though, the initiatives can be witnessed to have remained camouflaged within the themes of services marketing as 'hidden innovations'. The authors note that given their complexities and growing impact on 'several disciplines, starting form marketing and management, moving to engineering,

computing, behavioural science, etc., emergence of a new science, a 'service science', causes the creation of new conversation, in terms of Design for Services, in contrast to the prevalent widely held notions of Service Design or Design of Services.

As because the relevant theory is yet to take a concrete shape, the book, therefore, attempts towards its development to map the field through the Case Study route under the following four broad themes:

o Designing Interactions, Relations, and Experiences Five Cases

o Designing Interactions to Shape Systems and Organisations Four Cases

o Exploring New Collaborative Service Models Four Cases, and

o Imagining Future Directions for Service Systems Four Cases.

Service innovation is a complex inter-disciplinary effort, encompassing Organisational Innovation, Marketing Innovation, and Relationship Innovation at their intersection. Even if the role of design within this process is still to become visible as an emerging discipline based on 'mainly informal and tacit knowledge', studies have recognised that it is likely to develop into a more structured

discipline by formalising a closer dialogue with existing disciplines such as service management, service marketing, and service operations.

'Design has been traditionally associated with shaping tangible artefacts,' it is said. However, in service focussed studies, special attentions go to the role of services have in the development of knowledge-based economy. Now, for Knowledge-Intensive Services such as water and air transport, post and telecommunication, financial intermediation, real estate, renting and business activities, education, health and social work, and recreational, cultural and sporting activities; and forKnowledge-Intensive Business Services that include computer services, R&D services, legal, accountancy and management services, architecture, engineering and technical services, advertising and market research, the moot question can be defined as two-fold:

o If services are defined as acts or performances how can design contribute to their shaping?

o What is the aesthetic of a performance and the outcome?

Design research and practice, as noted here, have approached services from two main perspectives that have represented two main distinct research streams: the 'interaction paradigm', which focuses mainly on how services are performed, and the 'functional paradigm', which instead considers what services represent and can offer.

A representation of design for services approaches in relation to the main Intangibility-Inseparability-Heterogeneity-Perishability (IHIP) service characteristics can be observed as follows.

Using this categorisation of design contribution, the authors suggest to using it to facilitate a conversation between design research and the different disciplines that are now to converge into a wider 'serving science'. What is found changing is that the distinction between products and services, as suggested by the IHIP model, is blurring together with traditional supplier and user distinction. This prompts questioning traditional definition of services derived from management science that tries to 'define

Service Characteristics	Description	Design for Services Contribution
Intangibility	Services cannot be seen, felt, tasted, or touched in the same manner in which goods can be sensed	o 'Evidencing' the service offering and service experience o Making the intangible tangible o 'Empathic' design o 'Dematerialisation' as an innovation lever
Inseparability	Most services require the presence of customers for the production of services	o Users as sources and not as problems o Co-design approaches o Collaborative services
Heterogeneity	The quality of the performance may vary from time to time, depending on the situation and service participants	o Services as 'situated actions' o Design the conditions for possible behaviours and interactions to emerge o System design o Customisation and modular service architecture
Perishability	Most services cannot be stored and therefore depend upon the ability to balance and synchronise demand with supply capacity	o Replication strategies o Distributed and inter-connected service solutions o Enabling platforms

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services negatively in terms of what they lack that material products do' and instead looking at services as 'regulated forms of exchange' to explore the range of motivations and apparatuses of obligations that bring people to do something for someone else.

Focussing similarly on the dimensions of exchange and interactions, it is captured that a service logic (instead of services) offers a new way to approach marketing and indeed the economy more generally. This is achieved by developing two distinct models: the goods dominant logic, characterised by tangible resources, embedded value and transactions; and the service dominant logic, involving a shift from exchange of goods (interpreted as operand resources) to the exchange of 'benefits' obtained through the application of 'knowledge and skills' (interpreted as operant resources). Service is generally conceived as the 'application of

competences for the benefit of others', and goods 'serve as appliances for service provision rather than ends in themselves', when there remains no more separation between products and services because products are also interpreted as 'embodied knowledge of activities'. Global economy is observed moving towards models in which a 'service logic' dominates, challenging traditional ways of evaluating productivity, innovation and growth.

These considerations point to a paradigm shift in the fundamentals of value creation in the contemporary economy which has been explored further in the text across its three sections: Section 1 links design for services to existing models and studies on service innovation and service characteristics; while Section 2 contains the 17 focussed Case Studies, Section 3 projects design for services into the emerging paradigms of a new

economythe next economyto help readers reflecting on possible future developments. There are two appendices: Appendix 1 opens up reflection on future research on design for services through a conversation with researchers and professionals of the field of service, and Appendix 2 presents a selection of tools as introduced in the Case Studies. By providing all these between its two covers, the authors have rendered a valuable service to the Service focussed community of professionals, be they academicians or practicing professionals. This makes the book a recommended and relevant reading for the persons interested in performing better in the service field now and for quite some time into the future.

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