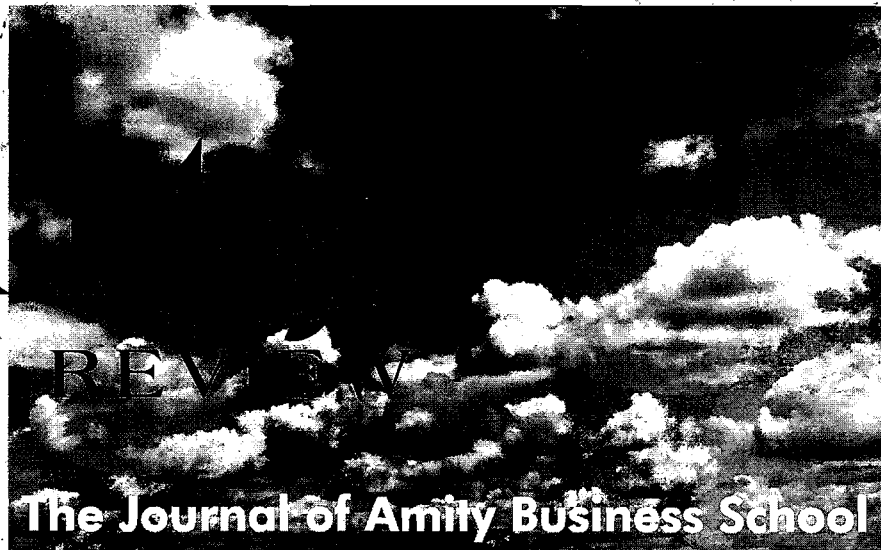


Am BUSINESS REVIEW

Volume 10, No. 2, July - December 2009



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BENCHMARKING : PRACTICES AND TOOLS FOR ACHIEVING INTERNATIONAL STANDARDS IN BANKING SECTOR TO OVERCOME THE ECONOMIC CRISIS

Ajay K. Garg* & Shruti Vishnoi**

The economy worldwide has recently shattered by the recession that has originated from US. This economic crisis has also hit the Indian economy in general and the banking sector in particular. Though banking sector has undergone rapid technological and structural changes over the past few years which had created a resistant wall against these types of recession and economic meltdown still Indian Banking Sector has a severe Impact on its efficiency and profitability. The Banking sector being a pillar for the development of a country needed to adopt the best practices so as to make itself recession proof. This article attempts to identify the various impacts of the economic meltdown on the current performance of the Indian banking sector and to suggest a model for the banking industry to come out of this situation.

INTRODUCTION

The banking system in India has come a long way in the last two centuries. Banking system is one of the prime sectors responsible for rapid growth of economy. The sector has grown rapidly after globalization and liberalization. It is one of the few sectors in India, which has witnessed the most fundamental structural and institutional reforms since 1991 considering the potential for the growth of banking services with the accelerated growth of economic activities. The Narsimham Committee laid the foundation for the reformation of the Indian Banking Sector to enhance its efficiency and reliability. The recommendation had worked and Indian banking sector has become the synonym for the growth of Indian Economy, until recently when a year ago the US- originated crisis had hit the global economy hardly. As a sign of the down turn, purchasing power from its forecast of 3.0 per cent in October 2008 has declined to 0.5 per cent in January 2009. The global GDP has actually shrunk by 0.6 percent and the world trade which forms the basis to overcome the meltdown is projected to reduce by 2.8

per cent in 2009. The crisis has spread in India two ways, one is financial channel and the other one is confidence channel. The financial channel includes squeezing of liquidity, - drying up of overseas financing and conversion of funds rose in the local market to foreign currency and taken away by FIIs. Apart from this, crisis has also spread through the confidence channel as the corporate sector had moved back from investing in the Indian Financial Market. The resultant liquidity crisis had badly affected the cash flow for the industries which lead to a condition where the industries were incapable to raise funds for their expansion and the industrial output came down. This in turn affected the GDP of the country and the employment situation also. The government and central bank have responded to the crisis through big, aggressive and unconventional measures to come out of this global economic recession.

Objectives of the Study:

The main objective of the article is to know about the impact of economic slowdown on the performance

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5. RTGS is an online system for settling transaction in banks maintained by Central Bank of the country.
6. CRAR is a ratio of bank's capital to its risk. It is a measure of the amount of a bank's capital as a percentage of its risk weighted credit exposure
7. Asset Liability Management In banking, it is the practice of managing risks that arise due to mismatches between the assets and liabilities.

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INCIDENCE OF WORK STRESS IN EMPLOYEES : AN EMPIRICAL STUDY OF SOUTHERN RAJASTHAN

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Work stress is something we all face as employees and handle it differently. It arises due to mismatch between the individual capabilities and organizational demands. Stress affects the physical, psychological and financial balances of an employee. Desired results cannot be expected from employees who are burnt out, exhausted or stressed, as they lose their energy, accuracy and innovative thinking. Employers may lose more working days resulting in decrease in productivity and increase in cost to company when they come under stress. The National Institute for Occupational Safety and Health (NIOSH) states that job stress, now more than ever, poses a threat to the health of workers – and the health of organizations. The present research paper is an attempt to develop the conceptual framework of work stress; assess the level of work stress among the employees in the different industrial units with due consideration of different demographical factors in the selected organization of southern Rajasthan. Recommendations on the basis of empirical study for overcoming work stress and minimizing its adverse effects have been given towards the end of this paper.

Rapid change of the modern working life is associated with increasing demands of learning new skills, a need to adapt to new types of work, pressures of higher productivity, quality of work, time pressure, and hectic jobs. Growing psychological workload is also increasing stress among the workforce consistently. Such developments require higher priority to be given for psychological quality of work and the work environment, and more attention to psychosocial aspects of work. There are numerous psycho-social factors, which operate at the place of work. These are the human relationships amongst employees themselves on the one hand, and those in authority over them on the other. The employee also cannot be considered different from his domestic environment. Both are complementary to each other. Stress at work may disturb his sleep, just as stress at home may affect his work at work place.

In this paper an attempt has been made to find out level of work stress in the employees in some selected industrial units of southern Rajasthan. Further information was analyzed on the basis of different variables such as, gender, occupation, education, experience / duration of service, unit etc.

and their relations with work stress. In the end researchers have given conclusions and suggestions on the basis of empirical study and analysis so that the industrial units can manage work stress in their employees properly for better utilization of human resources.

An attempt has been made in this paper to –

- Develop the conceptual framework of work stress.
- Trace and review the available literature.
- Empirically analyze the level of work stress in the employees in selected organizations, and
- Develop a set of recommendations for overcoming work stress and minimizing its adverse effects.

CONCEPTUAL FRAMEWORK

Stress is fast becoming the most common risk in any organization. It often goes undetected and unmanaged. Stress is the "wear and tear" our bodies experience as we adjust to our continually changing environment; it has physical and emotional effects

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units. If we summarize the results for all the companies, the high level and very high level stress was minimal in all companies; this may be attributed to all the units having both certified ISO-18000 status and occupational health & safety.

SUGGESTIONS

Based on the empirical analysis of results; the following suggestions can be offered to the various stakeholders of the organizations.

1. The top management of the organization should develop a conducive and harmonious organizational culture in which conflicts are few and far between.
2. The employers should develop just and fair compensation structure which may also be performance linked.
3. It was observed that senior level executive of the organization were experiencing higher stress level. They should learn to enjoy their work more and start delegating some of the less important tasks to their subordinate.
4. The senior executive should avoid the tendency to procrastinate because the last minute rush to meet deadlines can create chaotic situations resulting in more stress.
5. The employees should try to acclimatize themselves to the organizations so that overall happiness index of the organization reaches a high level.
6. The employees should learn to become better team members and develop effective interpersonal skills based on empathy so that not only they become stress free, but also help other employees in leading stress free work life.

CONCLUDING REMARKS

The world economy is in throes of economic recessions. Consequently the business organizations have been compelled to cut down on cost at all the levels of their operations. The situation is further compounded by unprecedented competitive pressures under which the business organizations have to either perform or perish. All this has resulted in the increased work stress experienced by employees at different levels of organizational hierarchy. However, it is heartening to note that all stress is not bad as sometime it can stimulate employees to give better performance. Social scientist have proven that a happy employee is a

happy family members also and vice-versa. Therefore the need of hour is that employees should strive for optimal balance between work and personal life. The futuristic organizations should devise innovative strategies to combat the menace of work stress among its employees.

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HRD CLIMATE IN SELECTED PUBLIC SECTOR BANKS : AN EMPIRICAL STUDY

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The business organizations are attaching great importance to human resource because it is the biggest source of competitive advantage and has the capability of converting all the other resources in to product/service. The effective performance of this human resource depends on the type of HRD climate that prevails in the organization, if it is good then the employee's performance will be high but if it is average or poor then the performance will be low. The study of HRD climate is very important for all the organization and the banking sector is not an exception, especially in the present situation of financial recession. The present study is an attempt to find out the type of HRD climate that is prevailing in public sector banks in Ahmedabad. The researcher have also tried to find out the difference in the perception of employees regarding HRD climate on the basis of age, gender, designation, qualification. The researcher collected the data from the employees of selected public sector banks using structured HRD climate questionnaire. The data were analyzed using several statistical tools such as mean, standard deviation, percentiles, Z test. The result shown that the HRD climate in public sector banks is average and the perception of employees regarding the HRD climate do not differ significantly on the basis of gender, qualification and designation but it differs significantly on the basis of age. The paper ends by offering useful suggestions to the management involved in the operations of the banks.

INTRODUCTION

HRD CLIMATE

Human Resource Development (HRD) is concerned with the provision of learning and development opportunities that support the achievement of business strategies and improvement of organizational, team and individual performance (Armstrong and Baron, 2002).

Climate, is an overall feeling that is conveyed by the physical layout, the way employees interact and the way members of the organization conduct themselves with outsiders. (It is provided by an organization.)

HRD Climate is an integral part of organizational climate. It is the perception the employee can have on the development environment of an organization. The developmental climate will have the following characteristics (Rao & Abraham, 1986):

1. A tendency at all levels starting from the top management to the lowest level to treat the

people as the most important resources.

2. A perception that developing the competencies in the employees is the job of every manager.
3. Faith in capability of employees to change and acquire new competencies at any stage of life.
4. A tendency to be open in communication and discussion rather than being secretive.
5. Encouraging risk taking and experimentation.
6. Making efforts to help employees recognize their strengths and weaknesses through feedback.
7. A general climate of trust.
8. Team spirit.
9. Tendency to discourage stereotypes and favoritism.
10. Supportive personnel policies.
11. Supportive HRD practices include performance appraisal, reward management, potential development, job rotation and career planning.

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employees and try to develop the trust among the employees. Clear communication process will help to establish the HRD Climate.

3. The employees should be encouraged to express their feelings without any fear.
4. Feedback should be taken at fixed intervals to know the drawbacks in the system.
5. HR policies of the organization should be such that which encourages the employees to contribute their best.
6. Proper authority should be given to employees so that they can take the decision at the right time.
7. Management should discourage the stereotypes and favoritism. They should treat with all employees on equitable basis.
8. Team Spirit should be encouraged among the employees.

LIMITATIONS OF THE STUDY

1. The study was conducted in Ahmadabad in selected public sector banks, which may not give the exact picture of the situation.
2. The study was completed within limited time period.
3. The sample size was very small.

CONCLUSION

HRD climate plays a very important role in the success of any organization because directly or indirectly it affects the performance of the employees. If the HRD climate is good than the employees will contribute their maximum for the achievement of the organizational objectives. The result of the present study shown that the HRD climate in the public sector bank is average and there is lot of scope for improvement in the HRD climate. The result also shown that there is no difference in the perception of the employees on the basis of gender, qualification, designation but the perception of the employees differs on the basis of age. The management can improve the HRD climate by introducing the changes HR policies and practices.

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EXPLORING THE ROLE OF CUSTOMER LOYALTY THROUGH THE RELATIONSHIP BETWEEN BRAND AFFECT, BRAND QUALITY, AND CUSTOMERS' BRAND EXTENSION ATTITUDE

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New products are launched in the market with an objective to attract more and more customers and thereby, increase market share. With increasing competition, customers are being provided with various options. Successful organizations all over the world recognize the importance of new product launches (brand extension) as a means of organic growth and as a means to differentiate themselves from others. At the same time, it must be remembered that it is not an easy task to create winning products in an increasingly competitive environment. Considering the high failure rate of new products, launching a new product is a risky proposition (Panwar & Bapat, 2007). Under this circumstance brand extension might receive success if consumers accept the extended brand category product.

Brand extension involves the use of a brand name established in one product class to enter another product class (Aaker, 1990; Tauber, 1988). This strategy is often seen as beneficial because it reduces new product introduction marketing research and advertising costs, and increases the chance of success due to higher preference derived from the core brand equity (Chen & Liu, 2004). All investigations on the determinants of successful brand extensions initially assume that a brand is an accumulation of associations (Keller, 1993) and the parent brand associations can influence consumers' reactions to brand extensions (Aaker & Keller, 1990; Bhat & Reddy, 2001). In previous studies different authors identified some antecedents of brand extension attitude of consumers. The antecedents they have identified are parent brand trust and parent brand affect.

According to Chaudhuri and Holbrook (2001), brand attitude can be measured via brand trust, brand affect, and brand quality. Brand attitude is the highest level of brand association and it frequently forms the basis of consumer behavior (e.g., brand choice) (Keller, 1998). Aaker and Keller (1990) proposed a relation between perceived quality of

parent brand and consumers' attitude toward the extensions.

The current study is a broad replication of Aaker and Keller's (1990) model in the sense that it does not generalize across brand extensions, but does attempt to make a generalization of the model by extending the model through adding three more anticipated antecedents of customers' brand extension attitude. In this study the researchers used the brand trust, brand affect, and brand loyalty (parent brand loyalty) as added variables to empirically investigate whether the extent of parent brand trust, parent brand affect, and parent brand quality have effects on consumers attitude towards brand extension mediated through parent brand loyalty.

This research intends to propose a conceptual framework that will investigate the effects of brand affect and brand quality on customers' brand extension attitude mediated through customer loyalty. To test the framework, multiple regression analysis was applied to data collected from 100 customers of a particular brand. Primarily this study aims to test the theoretical models to measure the causality whether brand affects and brand quality

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The findings of this study have to be interpreted considering the limitations of the study in mind. First, this study was a single cross-sectional study but to determine the causal paths of studied variables multiple cross-sectional studies or a longitudinal study is more appropriate (Poon, 2004). Secondly, the current study not being an experimental one, extraneous variables from the study were not possible to eliminate or withhold.

Therefore, the results may be somewhat handicapped in terms of internal validity and external validity to draw causal inferences. Thirdly, in this study the researchers used non probability sampling technique to collect the data. It was not possible to use the probability sampling technique because researchers did not have access to the sampling frame. Finally, there may be many other factors which influence consumers' brand extension attitude. It is not practically possible to incorporate all the variables in a single study but the research models could have been more robust if few more variables could have been added.

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RECRUITERS PERCEPTIONS AND EXPECTATIONS OF QUALITY FROM B-SCHOOLS

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Skill sets of MBA graduates are crucial for their selection and placement in business organizations. Extant literature indicates that certain skills are critical such as oral and written communication skills, analytical skills and leadership skills. Recruiters are very important stakeholders of B-Schools therefore it is essential to know their perceptions and expectations from B-Schools, with specific reference to skill sets of students. The study identifies the most important expectations of recruiters from B-Schools in Karnataka, measures the gaps between perceptions and expectations and proposes a scale: REQ-Recruiters Expectations of Quality from B-Schools. The findings from this study are important to top management and faculty of B-Schools to train and mould the skill sets of B-School students in order to ensure a smooth transition from being a student to an employee in an organization.

INTRODUCTION

India has witnessed immense augmentation in the higher education sector due to the demand for skilled workforce and growing service industries. Between 2001 and 2008 the number of universities has grown at a Compound Annual Growth Rate (CAGR) of 6.6%, higher education institutions have increased at a CAGR of 9.2%. Student enrollment has risen in higher education institutions at a CAGR of around 5% from 2000-01 to 2007-08. The Gross Enrollment Ratio (GER) at 11% (of the proportion of population below 25 years of age) is low compared to both developed and developing economies (Ernst and Young, 2008).

In higher education, business education has seen a tremendous growth in the last decade. The first business program was started in 1954 by the Indian Institute of Social Welfare and Business Management in Calcutta. There were 135 B-Schools in 1985, 712 B-Schools in September 2000 (Prasad, 2006) and 1761 B-Schools in 2007 (National Knowledge Commission Report, 2007). Today industry estimates suggest that there are more than 2000 B-Schools in India.

Management education in Karnataka is

spearheaded by the Indian Institute of Management, Bangalore. The first management program was started by Karnatak University, Dharwad in 1973. Karnataka is a preferred destination for students from all over India for higher education courses such as medicine, engineering, and management.

In 2005, Karnataka had 7 University department programs, 75 Private Colleges affiliated to universities, 16 Autonomous B-Schools (AICTE list, 2006). In 2007, the total no. of B-Schools in Karnataka grew to 116 (NKC report). In 2008, Karnataka had 20 University Departments offering MBA from 8 Universities. There are 137 Private Colleges Affiliated to Universities (PGCET cell, August 2008). An estimated number of 25 Autonomous B-Schools and 5 Deemed/ Private Universities. The total number institutions offering MBA degree are 187.

The autonomous institute (funded by central government) which is in the forefront of management education in Karnataka is IIM Bangalore. There are other leading private B-Schools such as Xavier's Institute of Entrepreneurship, Bangalore, Alliance Business Academy, Bangalore, T.A. Pai Management Institute, Manipal, SDM Institute of Management Development, Mysore etc.

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CONCLUSION

The study has revealed the most important skill sets that recruiters look for in B-School graduates are: Ability to work in a team, good communication skills, creative problem solving and Analytical skills. The recruiters expectations and not met for majority of the factors tested. We have proposed a scale to measure recruiters' expectations from B-Schools. The methodology adopted in developing and testing the scale is the universally accepted procedure suggested by Churchill (1979), the scale has been tested for reliability and validity. This scale can be tested and further validated with a pan Indian study.

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AN ANALYSIS OF THE IMPACT OF PROMOTIONAL ELEMENTS ON SALES AND PROFITS: AN EMPIRICAL STUDY

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A well planned promotional strategy is essential for effective marketing of goods and services in a competitive environment. In recent years, companies are finding it increasingly difficult to maintain and expand their sales and profits in the face of growing competition, compounded by global recession. To overcome the challenge, companies need to analyse their market environment with greater precision than ever before and redesigned their promotional strategies with optimum effect. At the backdrop, a study was undertaken in a multinational company to examine, with the help of empirical data, the impact of promotional elements on the sales and profits of the company. The paper has brought to light an important fact that there is a high degree of association between promotional elements and corporate performance as measured by sales and profits. The disclosure will hopefully go a long way in helping the companies to redraw their promotional strategies for more effective marketing in the present complex environment.

INTRODUCTION

Promotion is the central activity of the marketing management of a company. It performs the vital functions of informing, convincing and reminding the target customers about product, price and service advantages offered by a company with the ultimate object of maintaining and expanding its market share. It also aims at countering competition and building a favourable image of the company regarding its products and services in the national and the international market. In essence, promotion is the spark plug of the marketing strategies and an important component of total marketing mix. It is necessary even though the company offers the best product, best package and the most reasonable price for the simple reason that many potential customers may be unaware of the product itself or its comparative advantages.

As promotional strategies play a vital role in the overall marketing program of the organisation, a study of the impact of promotional expenses on sales and profits in the Indian context is extremely important. The study is particularly significant in the present scenario where the highly competitive

market environment is forcing companies to increase their spending on the promotional mix, while at the same time, promotional expenditures are being examined by the top management as one of the areas left for cutting costs to increase profits. This heightened scrutiny puts intense pressure on marketing managers to develop and implement effective promotional strategies that can add value to their companies within the constraints of tighter budgets following global recession and financial meltdown.

At this backdrop, an empirical study was conducted by the authors on Clariant (India) Limited (CIL) - a multinational company operating in India for a fairly long time. CIL is an affiliate of Clariant AG, the erstwhile chemical division of Sandoz. As a part of its worldwide business, CIL is engaged in the production of high quality speciality chemicals for industries like textiles, leather, paper and paint. In India, the company is the market leader in textile chemicals; leather dyes and is an important supplier to the high end segment of textiles, leather, paper, paint and coating industries. The present study is an honest attempt to analyse the impact of promotional elements of CIL on its operational performances

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data and whatever information we could gather from conversations with the officials of the company.

- (iii) In reality, sales and profits of a company are influenced by many factors, of which promotional strategy is just one. Although the study has revealed a strong association of promotional elements with sales and profits of the company under study, there is no way of considering it the only responsible factor for increased sales and profits. We can only state that promotional elements are among the major factors that contribute to corporate growth.
- (iv) This study was also hamstrung by the fact that there was no previous study done exactly on the same theme. Thus, we had no trailblazer to develop our hypothesis and test our results against previous benchmarks. We had to develop our own methodology and analytical framework that also, in a way, acted as a constraint.

In spite of all the foregoing limitations, the study has succeeded in yielding some groundbreaking findings which, we hope, will be useful for designing the right strategies of a company.

CONCLUSION

Promotion is the critical function of marketing. It is concerned with informing, convincing and reminding the customers about the comparative advantages that a company offers to its customers at the time of selling its products or services. It also helps in building a favorable image of the company in the market. There is no denying the fact that promotional strategies play a significant role in improving the performance of a company. The results of this empirical study highlight the important fact that the elements of promotional strategy are largely responsible for increasing the sales and profits of the multinational company on which the study was conducted. In fact, there exist a cause and effect relationship between the promotional elements and profitability. The analysis of data clearly proves with evidential support that there is a significant association between the three independent variables (general promotional expenses, discount on sales and trade commission) of CIL and its three dependent variables (sales,

operating profit and net profit). The relationship disclosed by the results of regression analysis in Table 5 means that an increase in the independent variable will also lead to increase in sales and profits of the company. However for balanced application of the finding, the limitations of the study and the prevailing environmental constraints need to be taken into consideration. To our mind, the observations emanating from the study are applicable not only to the focal company but also to other chemical companies operating in India.

As chemical industries play a vital role in the economic development of India, there is a compelling necessity to examine and re-examine their marketing problems on continuing basis. In order to find out appropriate solutions which may prove valuable to the corporate managers, the present study is an honest intellectual exercise to unveil the impact of promotional strategies on corporate growth as measured by sales and profits. The findings of the study, based as they are on hard empirical evidence, will hopefully go a long way in improving the performance and profitability of chemical companies in India and in stimulating more research studies in the field of marketing.

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