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The Editor, Nirma University Journal of Business And
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University, S.G. Highway, Ahmedabad 382481, Gujarat, India.
Tel: +91 2717 241900-4
Fax: +91 2717 241916
Email: editor.nujbms@imnu.ac.in
Website: www.imnu.ac.in

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Welfare Loss from Cross Subsidy in Electricity Sector in India: A Preliminary Study

Yogesh Doshit*
Abhinav Ved**

Electricity is a basic input for all sectors of the economy. Since the economic reforms in the early 1990s, economic growth in India has been rapid and it is expected that the Indian economy will register impressive growth in the next two decades and more. However, this is subject to adequate energy and electricity supply. Electricity supply has long been a bottleneck. It is estimated that peak demand deficit is more than 10 per cent despite sustained efforts to add to capacity.

The supply of electricity has strong forward linkages. The linkage is strong in the agricultural sector because its availability ensures adequate water, a vital input. In India where farmers have to rely on monsoon rains for water which are often erratic, groundwater is a major alternate source. Land under irrigation is less than 45 per cent of total cultivated land. Hence, continued and reliable power supply is vital. However, high cost of power will deter farmers from using pumpsets which could result in lower food production, lower income for farmers, and low demand for other goods and services. While it is imperative that power is supplied to farmers at reasonable prices, this results in losses which is sought to be made up by higher prices for

**Faculty, Institute of
Management, Nirma
University, Ahmedabad*

***Infosys Limited, Pune*

electricity in other use sectors. However, too high a price in other sectors would result in lower demand for electricity and hence lower production and/or welfare. So, partly, losses arising from subsidized rate are made up by subsidy from the government and higher taxes on non-users. The resultant loss in welfare is partly or fully compensated by welfare gain from higher production, higher income, and lower disparity in incomes.

Sector-wise annual electricity consumption (in GBH) in India in 2009 was as follows:

Agriculture	20 %
Domestic	24%
Commercial	10 %
Industrial	37%
Traction	2.2%
Others	6.8%

Average annual cost of electricity supply from SEBs was Rs. 3.48/unit and average realization in 2006 was Rs. 22.72/ unit.

This paper is a preliminary investigation of the subsidy and cross subsidy in the electricity sector in India and first cut estimate of the welfare losses/gains from subsidized electricity rates. The authors have made an attempt to estimate the extent of cross subsidy, determined Ramsay second best electricity prices, and estimated welfare impact of the subsidy.

Literature Review

Several studies have examined subsidy in electricity prices and its impact on welfare. Cont, Pedro, and Navajas (2011) studied subsidized energy prices and welfare impact on households in the Buenos Aires metropolitan region. They estimated electricity subsidy to households ranging from 6.6 per cent to 13.2 per cent. Badiani and Jessoe (2011) analysed electricity subsidies for agriculture use in India, its implication for groundwater extraction, and impact on welfare. They estimated that a 10 per cent reduction in subsidy would result in 13 per cent reduction in revenue to farmers. Hubert (2002) studied electricity tariffs in Russia for residential consumption and industrial customers. He estimated optimal Ramsay prices and deduced that actual tariffs were largely efficient (i.e. close to Ramsay prices).

Erdogdu (2011) studied the impact of electricity industry reforms on residential and industrial electricity price, cost margins, and their effect on cross subsidy between consumer groups. He concluded that each reform step had different impact and, for the same reform step, impact to be different in different countries. He concluded that a successful policy in one country may not be so successful in others.

Thus, a broad conclusion is that differential electricity prices are pervasive, reforms have had different impact in different countries, and that differential prices and cross subsidy may not be as welfare reducing as assumed since optimal Ramsay prices would also demand differential prices. There is no known research which has quantified welfare optimal prices and welfare impact of differential electricity prices in India.

Estimation of Cross Subsidy

Assume that there is only one producer (and supplier). This is not necessary; for the model it is generic and convenient. Let the electricity be supplied to n categories of consumer sectors. This would predominantly include agriculture sector, consumers in the commercial sector, domestic consumers, industrial users, traction, and other miscellaneous usage.

Let the prices charged to these consumers be $P_{i,t}$ per unit of consumption for i^{th} sector in time period t . Different consumers in the same sector could be paying different prices per unit for several reasons. First, price paid by a consumer has both fixed and variable components. Since units consumed are different for different consumers, per unit price paid by a consumer is different. Second, electricity production and supply is a natural monopoly. Normally there is only one producer and price discrimination in the form of block pricing is widely prevalent. Average price for a sector is assumed to be paid by all consumers in that sector.

Let consumption of i^{th} sector be $Q_{i,t}$ in time period t .

Then, total revenue in time period $t = R_t = \sum R_{i,t} = \sum P_{i,t} * Q_{i,t}$

The producer incurs costs in production and supply. These could be determined to arrive at a profit. Since the electricity sector is regulated and a natural monopoly, almost all producers incur a loss. In India, electricity is generated and supplied by state owned companies. The losses are made up by respective state governments by way of subsidy. Let $S_{g,t}$ be the subsidy by the respective government. Assume that these subsidies are generating profits. i.e.,

$S_{g,t} = \text{Max}(C_t - Rt, 0)$, where C_t = Total cost for period t

Thus, Profit_t = $\pi_t = R_t - C_t + S_{g,t}$

Let the total number of units supplied at time $t = N_t$

Then average price charged = $R_t/N_t = P_{av,t}$ (1)

For each sector let the price charged be $P_{i,t}$ and consumption be $Q_{i,t}$.

$$N_t = \sum_{i=1}^{i=n} Q_{i,t}$$

Subsidy for the sector i at time t is given by

$$S_{i,t} = P_{av} * Q_{i,t} - P_{i,t} * Q_{i,t} = Q_{i,t} * (P_{av} - P_{i,t})$$
 (2)

Total subsidy within the system = $\sum Q_{i,t} * (P_{av} - P_{i,t})$ for $P_{av} \geq P_{i,t}$ (3)
(including cross subsidy funded by other sectors in the system)

Total subsidy in the system funded from outside the system = $\sum Q_{i,t} * (P_{av} - P_{i,t})$ (4)

Direct Loss of Consumer Welfare due to Cross Subsidy

Cross subsidy results in direct welfare loss. This loss could be estimated as loss in consumer surplus because of higher prices. Assuming that the demand for electricity is linear in its own prices,

$$Q_{d,i,t} = f(P_{i,t}) = a + bP_{i,t}$$

Consumer in the i^{th} sector pays price of $P_{i,t}$. However, if there were no cross subsidy, the price paid would be P_{av} . If $P_{av} < P_{i,t}$ the sector is said to be cross subsidizing other sector, j , where $P_{j,t} \leq P_{av}$.

Figure 1: Demand for Electricity in Sector *i*

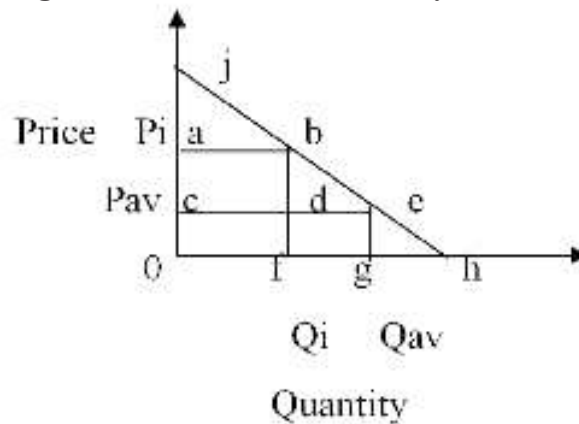


Figure 1 shows the demand for electricity at different prices. A consumer in sector *i* is charged and pays price P_i and demands and consumes quantity Q_i . If the consumer were charged uniform average price of P_{av} , he/she would have demanded quantity Q_{av} and would have consumed that quantity. Higher price results in loss of consumer surplus. The loss can be equated to welfare loss.

For a linear demand curve,

Loss in consumer surplus = Area *abcd* + Area *bde*

$$= (\text{Price difference}) * \text{Lower Quantity} + (1/2) * (\text{Price difference}) * (\text{Quantity difference}) \quad (5)$$

Suppose the demand curve is not linear. Let the price elasticity of electricity demand in sector *i* at time *t* be $\xi_{i,t}$.

Then

$$\xi_{i,t} = (\delta Q / \delta P) * (P / Q)$$

$$\text{hence, } dQ = (\delta P * \xi_{i,t}) * (Q / P)$$

$$\begin{aligned} \text{Loss in consumer surplus} &= (\delta P) * Q + (1/2) * (\delta P) * (\delta P * \xi_{i,t}) * (Q / P) \\ &= Q * \delta P * (1/2 + (\delta P * \xi_{i,t}) / P) \end{aligned} \quad (6)$$

Socially optimal price is when price equals marginal cost. However, in a monopoly, and particularly natural monopoly, prices are regulated and do not equal marginal price. If price discrimination is practised, the optimal prices are related to elasticity in different markets. The prices that are charged in different sectors should be such as to maximize social welfare under price discrimination.

Optimal Ramsay prices when marginal cost of production (including supply cost) is different in different sectors is given by

$$P_i = C_i^* \left(1 - \frac{P_{av} - C_{av}}{P_{av}} * \frac{\xi_{av}}{\xi_i} \right)^{-1} \quad (7)$$

where P_i = optimal Ramsay price in i^{th} sector

Ramsay prices are derived after due allowance for taxes and transfers from the government.

Loss of consumer welfare from cross subsidy can be measured by reduction in consumer surplus.

Methodology

The paper analyses electricity prices for entire India. Hence, time series data for the country were compiled from data published by the Central Electricity Authority (CEA), Planning Commission of India, and the Ministry of Power. Based on average prices charged to different sectors, amount of cross subsidy was determined.

We assume that the profits of the SEBs are zero or negative and that the entire subsidy from the government is equal to the losses suffered by the SEBs. Hence profits, after government subsidy is included, are zero.

Total units supplied are the sum of units supplied to different sectors. Total revenue (from the sale of units) divided by total units supplied is considered as average price, $P_{av,i}$. This is the price at which electricity should be supplied to all consumers. If not, then some sectors would have increased (direct) welfare and others decreased (direct) welfare. The cross subsidy from one sector to another is calculated. The resultant welfare loss can be measured from loss in consumer surplus. This is determined assuming a linear elastic demand curve.

However, a uniform price is not prevalent in the electricity sector for several reasons. One, the electricity industry is a natural monopoly. Hence, the sector tends to have one manufacturer and supplier. It is also regulated by the government and price is set by the government. Consumers are not uniform and can be classified in groups.

For this study, we assume that the marginal cost of production is same for all the sectors. This is not really true since marginal cost could be different owing to different transport costs (high tension transmission could have lower cost per unit) and different amounts of possible theft. However, this difference could be small and hence is ignored.

Price Elasticity

Price elasticity of electricity has been estimated by several researchers in India and abroad. The estimates differ with region, time period of estimation, and sector of usage.

For the elasticity of electricity demand, one of the first studies was by Bose and Shukla (1999). This was followed by Fillipini and Pachauri (2004), Tiwari (2000), Vette (2000), and Sarkar and Kadekodi (1988).

Bose and Shukla (1999) postulated the relationship between electricity consumption and variables like income, price of electricity and diesel (used in captive power generation to meet the shortages), and reliability of power supply from utilities for each of the important usage sectors, viz. residential, commercial, agriculture, small and medium industries, and large industries, based on data from 19 Indian states for 1985/86–1993/94. They estimated income elasticity of more than 1 for commercial and industrial sectors and less than 1 for residential, agricultural, and small and medium industries. Short-run price elasticity was estimated to be -1.35 in agriculture, -0.65 in residential, -0.45 in large industry, -0.26 in commercial, and insignificant in small and medium industry.

Table 1: Income and Price Elasticities for Electricity in India

Author(s)	Study Period	Region	Income Elasticity	Price Elasticity Short Run
Bose and Shukla (1999)	1997	19 States of India	0.88	-0.65
Fillipini and S. Pachauri (2004)	1993-94	Urban India	0.60-0.64	-0.29 to -0.51
Sarkar and Kadekodi	1988	India	3.06	na
Tiwari (2000)	1987-88	Mumbai	0.34	-0.70
Vette (2007)	1999-2000	Urban Maharashtra	0.81 to 0.88	-0.54 to -0.69

Results and Analysis

Complete all-India data for sector-wise power consumption and per unit charge are available till 2002-3 only. Data prior to 1997-98 are also not complete. Hence annual sector-wise cross subsidy per unit is determined for five years from 1997-98 to 2002-3. The results are shown in Tables 2 to 6.

Table 2: Sector-wise Cross Subsidy

[Rs./Unit of Electricity(kwh)]

	Domestic	Commercial	Industrial	Traction	Agriculture
1997-98	-0.47	1.10	1.30	NA	-1.63
1999-2000	-0.74	1.08	1.06	1.99	-1.94
2000-1	-0.79	1.18	1.08	1.91	-2.16
2001-2	-0.80	0.87	1.05	1.73	-2.25
2002-3	-0.59	1.62	1.24	1.87	-2.07

Table 3: Sector-wise Cross Subsidy as Percentage of Average Price

	Domestic	Commercial	Industrial	Traction	Agriculture
1997-98	-25.65	60.30	70.75	NA	-88.96
1999-2000	-34.63	50.41	49.52	92.65	-90.38
2000-1	-33.35	49.87	45.50	80.76	-91.09
2001-2	-31.64	34.22	41.55	68.35	-88.77
2002-3	-24.46	66.73	51.17	76.95	-85.40

Table 4: Sector-wise Cross Subsidy

(in Rs. billion)

year	Domestic	Commercial	Industrial	Traction	Agriculture
1997-98	-47.41	35.86	245.37	NA	-247.74
1999-2000	-85.34	36.57	203.51	26.89	-288.65
2000-1	-97.66	43.55	208.79	26.18	-298.53
2001-2	-97.63	32.06	195.42	21.77	-280.63
2002-3	-74.24	61.87	242.06	25.05	-262.31

Table 5: Cross Subsidy as Percentage of Total Cross Subsidy

	Commercial	Industrial	Traction
1999-2000	13.70	76.23	10.07
2000-1	15.64	74.96	9.40
2001-2	12.86	78.40	8.73
2002-3	18.81	73.58	7.61

Table 6: Cross Subsidy (Destination) as Percentage of Total Cross Subsidy

	Domestic	Agriculture
1999-2000	-22.82	-77.18
2000-1	-24.65	-75.35
2001-2	-25.81	-74.19
2002-3	-22.06	-77.94

Domestic and agricultural use is heavily subsidized by commercial and industrial sectors. The cross subsidy is large and average cross subsidy per unit has remained unchanged. Total cross subsidy has also remained within bounds during this period. However, total quantum of subsidy is very large. Total cross subsidy is about Rs 330 billion per year (Rs. 33000 crore). Most of this is subsidized by the industrial sector. Total subsidy of about Rs 328 billion is almost 1.34 per cent of GDP. This obviously has welfare effects as well as macro effects. The welfare effects are analysed below.

Table 7: Total Subsidy as Percentage of GDP (Rs. billion)

	Cross Subsidy	Government Subsidy	Total Subsidy	Total Subsidy as % of GDP
1999-2000	266.97	60.33	327.30	1.368
2000-1	278.51	89.19	367.70	1.325
2001-2	249.25	104.1	353.35	1.094
2002-3	328.98	85.21	414.19	1.340

Part of the subsidy is financed by the government. This is shown in Table 8.

Table 8: Sector-wise Cross Subsidy (Rs. billion)

	Domestic	Commercial	Industrial	Traction	Agriculture	Government Subsidy (%)
1997-98	-47.41	35.86	245.37	NA	-247.74	38.19
1999-2000	-85.34	36.57	203.51	26.89	-288.65	60.33
2000-1	-97.66	43.55	208.79	26.18	-298.53	89.19
2001-2	-97.63	32.06	195.42	21.77	-280.63	104.1
2002-3	-74.24	61.87	242.06	25.05	-262.31	85.21

Note: Government subsidy is not equal to the net of all subsidies from within since the data do not include losses not accounted for.

Figure 2: Cross Subsidy

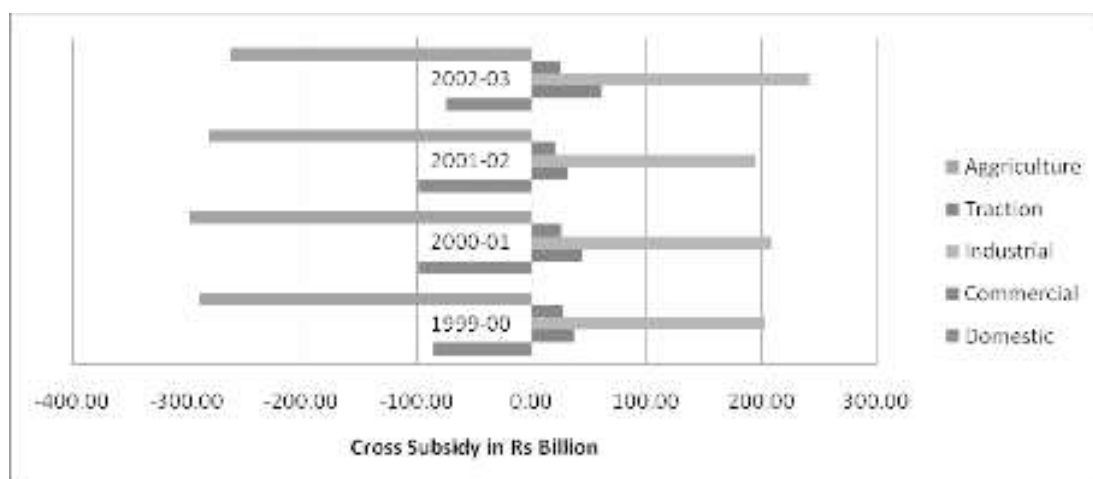
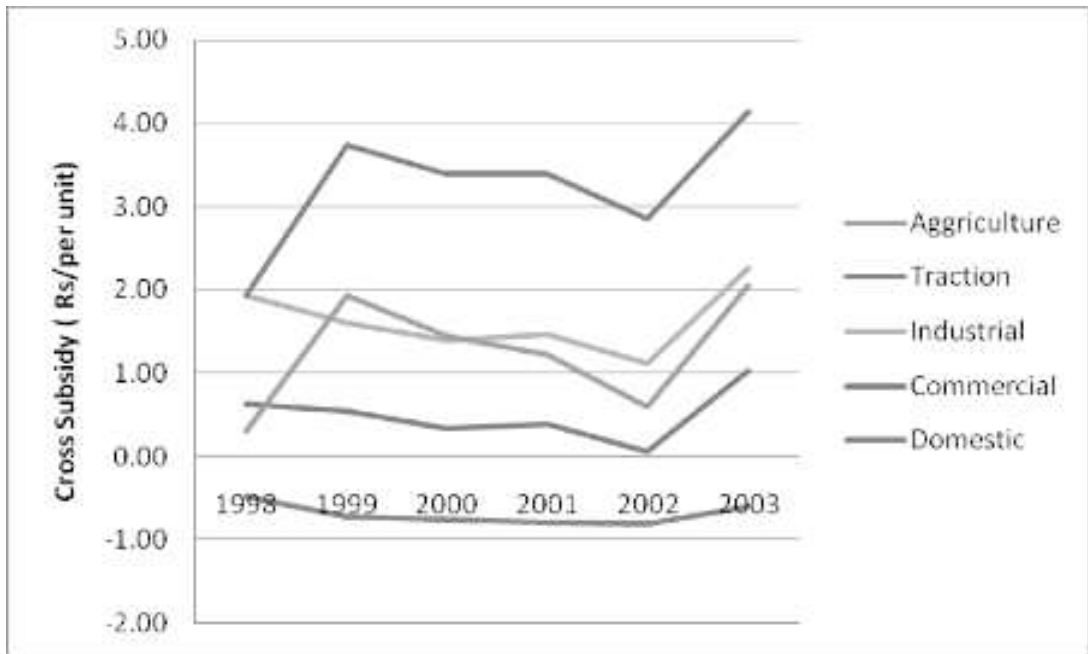


Figure 3: Cross Subsidy per Unit of Electricity



Welfare Effects of Cross Subsidy

In this paper straight welfare impact on consumers is analysed. To determine the welfare impact, average price of electricity is taken as base. Actual prices are compared to these base prices. For determining the effect on consumer surplus, elasticity for different sectors is assumed, based on past studies quoted earlier. The assumed elasticities are shown in Table 9.

Table 9: Sector-wise Price Elasticity of Electricity

Agricultural Sector	-1.35
Commercial Sector	-0.25
Industry	-0.45
Residential	-0.65

Welfare loss is computed and figures are given in Table 10.

Table 10: Welfare Loss(-/+)

(Rs. billion)

	Sector				Total Net Welfare Gain (+) Loss (-) in the Electricity Sector
	Domestic	Commercial	Industry	Agriculture	
1997-98	+52.71	(-)34.17	(-)206.13	+1595.20	1407.61
1999-2000	+100.03	(-)35.03	(-)173.20	+2119.43	2011.22
2000-1	+113.54	(-)41.74	(-)176.20	+2359.36	2254.96
2001-2	+112.30	(-)31.04	(-)161.29	+1778.18	1698.16
2002-3	+82.05	(-)58.77	(-)197.76	+1297.83	1123.35

Welfare losses keep fluctuating over the years. Nonetheless, losses are huge and are a definite burden on non-users. As can be seen, the total net welfare gain is huge owing to subsidized electricity rate. Though cross subsidy is high for industry and commercial sectors, from welfare consideration, the social welfare losses are low. The consumers as a whole benefit from low prices.

Optimum Tariff and Welfare Effects

Socially optimum tariff in presence of government subsidy and taxes are determined as second best Ramsay prices. The second best Ramsay prices are given as:

$$P_i = C_i^* \left(1 - \frac{P_{av} - C_{av}}{P_{av}} * \frac{\xi_{av}}{\xi_i} \right)^{-1}$$

where

- P_{av} = Average price for zero economic profit
- C_i = marginal cost of supplying to i th sector
- ξ_{av} = Average price elasticity
- ξ_i = Price elasticity in i th sector

Average price elasticity is determined as a weighted average (weighted by percentage consumption) of all sectoral price elasticities.

Table 11: Sector-wise Ramsay Price for Electricity

(Rs./ unit)

	Domestic	Commercial	Industry	Agriculture
1999-2000	2.5015	2.8428	1.9295	2.1548
2000-1	2.8901	3.3705	2.0595	2.3867
2001-2	3.1516	3.6908	2.2013	2.5757
2002-3	2.8991	3.3193	2.1763	2.4610

Figure 4: Sector-wise Optimal Ramsay Prices

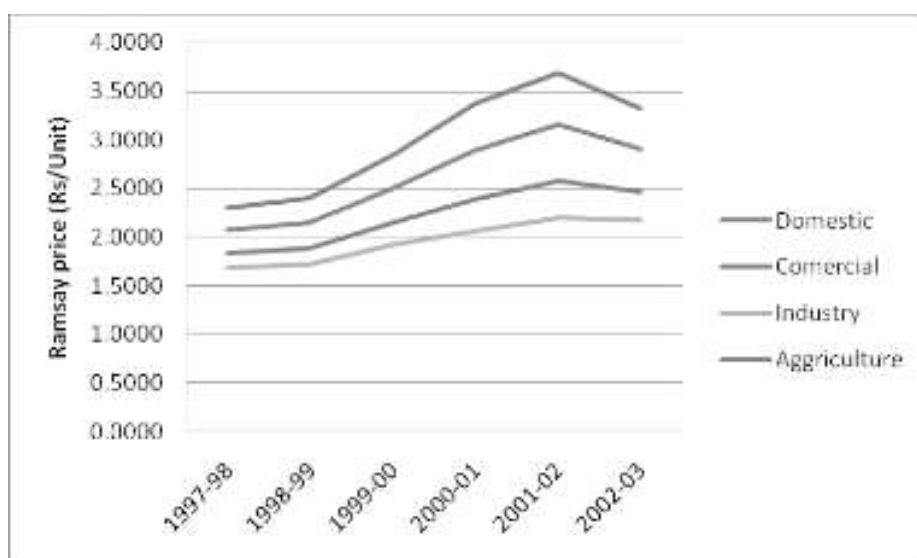


Table 12: Estimation of Welfare Loss(-)/Gain (+) at Ramsay Prices

(Rs. billion)

	Domestic	Commercial	Industry	Agriculture	Total Net Welfare Gain (+) Loss (-) in the Electricity Sector
1997-98	22.95	82.85	-19.57	0.92	87.14
1999-2000	39.21	94.75	-29.36	1.65	106.24
2000-1	60.80	113.60	-42.13	2.61	134.88
2001-2	70.10	109.02	-42.66	4.85	141.31
2002-3	56.25	134.31	-33.27	4.59	161.89

The amount of cross subsidy is apparently large. Both domestic and agricultural uses are subsidized. However, the subsidy is largely from the government and not from other sectors. That is, prevalent prices are not very different from Ramsay socially optimal prices. Prices in industrial and commercial sectors are high but not very different from Ramsay prices.

However, absolute quantum of subsidy is very large and approximates about 1 per cent of GDP. This has obvious impact on fiscal deficit and hence inflation. This linkage is not studied since this study is limited to direct welfare impact only. Indirect effects could be studied to arrive at total welfare impact.

Table 13: Welfare Loss Comparison

(Rs. billion)

	Welfare Loss @ Actual Price	Welfare Loss @ Ramsay Price
1997-98	1407.62	87.14
1999-2000	2011.23	106.24
2000-1	2254.96	134.88
2001-2	1698.17	141.31
2002-3	1123.36	161.89

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Analysing Customer Satisfaction on SERVQUAL Dimension for Hypermarkets

Shubham Goswami*
Bibhas Chandra*
Vineet Chouhan*

Today organizations operate in a dynamic business environment, which is compounded by complexity and uncertainty in a rapidly changing global setting. The key for sustainable competitive advantage lies in delivering high service quality which in turn results in satisfied customer. Satisfying customer is one of the main objectives of every business because businesses know that retaining a satisfied customer is more profitable than acquiring a new one. Retailing in India is gradually edging its way towards becoming the next boom industry. In today's competitive retail environment, delivery of high service quality has long been treated as basic business strategy. This can be achieved through the delivery of high service quality. A retail store environment offers a complicated mix of products and services (Dabholkar, 1996). Westbrook (1991) has highlighted that some non-product satisfaction offered by retail outlets like buying and interacting with outlet itself are as significant as products.

Consumers today are better informed and sophisticated (Leung and To, 2001), and expect high service quality (helpful and courteous salespeople, convenient store layout, etc.) apart from the quality of

** Faculty, School of Management, Sir Padampat Singhanian University, Udaipur*

merchandise purchased. Excellent service quality has been shown to increase profitability (Anderson, Fornell, and Lehmann, 1994), customer satisfaction (Sivadas and Baker-Prewitt, 2000), loyalty (Wong and Sohal, 2003) and certainly the effectiveness of retailer performance. Customer satisfaction can also lead to repurchase behaviour (Burns and Neisner, 2007, Fornell, 1992, sales (Anderson, Fornell, and Lehmann, 1994), increase word-of-mouth advertising (Oh, 1999), stock value (Fornell et al., 2006), and reduced marketing and warranty cost (Fornell et al., 2006, Reichheld and Sasser, 1990).

When customers are satisfied with service, they will tell others, but a dissatisfied customer typically relates dissatisfaction to fifteen to twenty others. Moreover, if the service is poor, 91 per cent customers will not return to the store (Gitomer, 1998). Prior research on economic impact of defecting customers suggests that a service company can increase profit by 100 per cent by retaining only 5 per cent of existing customers (Reichheld and Sasser, 1990). Since service quality can be the basis to retailing success, retailers need to constantly calculate their service quality through the use of a reliable measuring instrument. Because of the unique nature of retail service, measuring quality of services is difficult. Intangibility, heterogeneity, inseparability, and permissibility are some unique characteristics which make service quality difficult to define and measure (Buttle, 1995).

Customer satisfaction about service quality results from a comparison between customer expectations and customer perceptions of actual service performance. Service is considered to be excellent if the perception exceeds expectation; services are measured as good or adequate, if both expectation and perception are equal; and services are classified as bad, if expectation exceeds perception. Based on this perspective, Parasuraman, Berry, and Zeithaml (1985, 1988) developed a scale of measurement service quality, popularly known as SERVQUAL. Service quality is derived from a difference between perceptions and expectations resulting in the service quality gap, which is also known as GAP 5. A wide gap would represent poor service quality. Parasuraman, Berry, and Zeithaml (1988) suggested five service quality dimensions: tangibles, reliability, assurance, responsiveness, and empathy. Most researchers are of the opinion that SERVQUAL is a crucial element in measuring customer satisfaction even for a combination of product and services.

The present study attempts to measure empirically customers' satisfaction on service quality, confined to hypermarkets of departmental store format. This study has following objectives:

- to measure service quality gap corresponding to each SERVQUAL dimension.
- to analyse customer satisfaction on service quality for select hypermarkets using SERVQUAL dimensions.

- to investigate the level of customer satisfaction vis-à-vis select hypermarkets.

Literature Review

From the perspective of both manufacturer and retailer, customer satisfaction is vital because it has several desirable outcomes and effects in future purchase intention. However, there is no single definition of satisfaction in marketing literature. It is generally recognized that satisfaction is a psychological state that a customer experiences after consumption (Oliver 1980). Oliver (1981) introduced the expectancy-disconfirmation model for studying of customer satisfaction in the retail and service sector. Customer satisfaction is considered to be a predictor of customer loyalty.

During the last few decades service quality has become a major area of research among researchers and practitioners in the retail sector. Swartz and Brown (1989) drew some dissimilarity between different views on service quality, drawing from the work of Grönroos (1983) and Lehtinen and Lehtinen (1982). “What” the service delivers is evaluated after performance (Swartz and Brown, 1989). This dimension is called outcome quality by Parasuraman, Zeithaml, and Berry (1985), technical quality by Grönroos (1983), and physical quality by Lehtinen and Lehtinen (1982). “How” the service is delivered is evaluated during delivery (Swartz and Brown, 1989). This dimension is called process quality by Parasuraman, Zeithaml, and Berry (1985), functional quality by Grönroos (1983), and interactive quality by Lehtinen and Lehtinen (1982). Parasuraman, Zeithaml, and Berry (1985) have also stated that service quality is quite difficult to measure for a customer.

Since its introduction and development, SERVQUAL has been applied to many studies undertaken by both academicians and practitioners. It has been tested and applied in diverse service settings, cultural contexts, and geographic locations which include hospitals (Babakus and Mangold, 1989), a dental school patient clinic, business school placement centre, tyre store, and acute care hospital (Carman, 1990), a utility company (Babakus and Boller, 1992), pest control, dry cleaning and fast food (Cronin and Taylor, 1992), and banking industry (Lassar, Manolis, and Winsor, 2000). SERVQUAL has also been expanded and applied to internet retailing (Long and McMellon, 2004), hotels (Saleh and Ryan, 1992), travel and tourism (Fick and Ritchie, 1991), car servicing (Bouman and Van der Wiele, 1992), business schools (Rigotti and Pitt, 1992), information services (Pitt, Watson, and Kaven, 1995), higher education (McElwee and Redman, 1993), and discount and departmental stores (Finn and Lamb, 1991). The items measuring five basic dimensions are listed in Table 1.

Table 1: SERVQUAL Dimensions

Dimension	Definition
Tangibles	Appearance of physical facilities, equipment, personnel and written materials
Reliability	Ability to perform the promised service dependably and accurately
Responsiveness	Willingness to help customers and provide prompt service
Assurance	Employees' knowledge and courtesy and their ability to inspire trust and confidence
Empathy	Caring, easy access, good /communication, customer understanding and individualized attention given to customers

Source: Adapted from Parasuraman, Zeithaml, and Berry (1988)

Parasuraman, Zeithaml, and Berry (1988) also tested their SERVQUAL scale for reliability and validity (Asubonteng, McCleary, and Swan, 1996). In respect of scale reliability, the Cronbach's alpha reliability coefficients for the five SERVQUAL dimensions are similar across studies and at least of the same magnitude as those reported in Parasuraman, Zeithaml, and Berry (1988). The lowest reliability is 0.59 reported by Finn and Lamb (1991) and the highest reliability is 0.97 reported by Babakus and Mangold (1992).

While testing validity, findings of the majority of studies differ from the original study with respect to SERVQUAL's discriminant validity. Most studies involve greater overlap among the SERVQUAL dimensions – especially among responsiveness, assurance, and empathy – than implied in the original study. The number of distinct dimensions based solely on the factor analysis is not the same across studies. It varies from two in the Babakus and Boller (1992) study to eight in one of the four settings studied by Carman (1990).

Methodology

In the present study, SERVQUAL dimensions as proposed by Parasuraman, Zeithaml, and Berry (1988) have been used to measure customers' satisfaction. Parasuraman, Zeithaml, and Berry (1988) performed a series of scale purification exercises which finally resulted in a refined scale (SERVQUAL) with 22 items spread among five dimensions which included reliability, assurance, responsiveness, empathy, and tangible. In the current study, a scant respecified twenty one scale items have been imbibed in to measure customers' satisfaction in terms of service quality in select hypermarkets. The scale items are given in Table 2.

Table 2: Scale Items and Attributes of SERVQUAL Dimensions

Dimension	Scale Items	Attributes
Reliability	<ol style="list-style-type: none"> 1. Employees in the store must have knowledge to answer customer's queries 2. Store should show willingness in handling returns and exchanges 3. Employee should show a sincere interest in solving customer's problem 4. Communication of employees should be firm and understandable 	Knowledge Willingness Sincerity Communication
Responsiveness	<ol style="list-style-type: none"> 1. Employees in store should give prompt service to customers 2. Store should response to complaint in time 	Prompt service Response to complaint
Assurance	<ol style="list-style-type: none"> 1. Store should do repairs, alterations in the given time 2. Store should offers high quality merchandise/product 3. Transactions should be safe and accurate 	Timely alteration Quality merchandise Safe transaction
Empathy	<ol style="list-style-type: none"> 1. Store should give individual attention to customers 2. Employees in store should be courteous with customers 3. Employee should show patience in answering customer's queries 	Individual attention Courteous Patience
Tangible	<ol style="list-style-type: none"> 1. Store should have modern looking equipment and fixture 2. Store should have enough parking spaces 3. Availability of food courts is important in store 4. Store should have clean environment 5. Each facility should be well maintained inside the store 6. Store should have trial rooms 7. Products should be classified and arranged accordingly in the store 8. Store layout should make easier for customers to move around in the store 9. Store should offers range of products 	Modern looking Parking space Food courts Clean environment Well-maintained facility Trial-room Assortment Layout Range of products

Adapted from Parasuraman, Zeithaml, and Berry (1988).

The following hypotheses were tested:

H₁: Customers are satisfied with the quality of service rendered by select hypermarkets.

H₂: The level of satisfaction remains considerably same across the chosen hypermarkets for study.

In order to examine the hypotheses, a questionnaire was developed and tested for appropriateness through a pilot study. Responses were sought from 20 respondents consisting of research scholars and faculty members. Based on the problems surfaced during the pilot study, corrections were made to the questionnaire (see Appendix for the questionnaire). The study was conducted in Udaipur city. Three malls – Big Bazaar, Celebration Mall, and Vishal Megamart – were selected to assess customers' satisfaction on the SERVQUAL dimensions. Initially, a tentative sample size of 200 was selected by applying convenience and judgmental sampling technique. Mall intercept method was administered to get responses of shoppers. Shoppers were interviewed at the malls and were asked to fill up the questionnaire. Two hundred and four respondents were intercepted but finally 114 responded, which implies a response rate of 55.88 per cent. The analysis of responses is shown in Table 3.

The questionnaire used five-point Likert scale (1 for strongly disagree and 5 for strongly agree). Scale reliability was tested using Cronbach's alpha to the responses received from 114 respondents. Cronbach's alpha was found to be 0.939, which is considered a good sign of reliability.

Table 3: Analysis of Responses

Hypermarkets	No. of shoppers intercepted	No. of shoppers responded	Response Rate (%)
Big Bazaar	63	39	61.91
Celebration Mall	89	58	65.17
Vishal Megamart	52	17	32.69
Overall	204	114	55.88

Results

This section deals with testing of hypotheses using appropriate statistical tools.

H₁: Customers are satisfied with the quality of services rendered by select hypermarkets.

Mathematically,

$H_0 : \mu_E = \mu_P$ where, μ_E and μ_P are the hypothesized mean for expectation and perception respectively.

$H_1 : \mu_E \neq \mu_P$

Possible conditions:

If, $\mu_E - \mu_P = 0$, state of satisfaction

$\mu_E - \mu_P > 0$, state of dissatisfaction

$\mu_E - \mu_P < 0$, state of delightment

Results of the analysis for the three malls are given in Tables 4, 5, and 6. Respondents were satisfied with prompt service, provision of trial rooms, store layouts, and assortment in the case of Big Bazaar. However, for the rest of the attributes respondents demonstrated dissatisfaction as the expectation and perception gap was positively significant. In the case of Celebration Mall, customers have displayed satisfaction on all the attributes except a few. Customers are not at all satisfied on any attributes for Vishal Megamart as the gap is positively significant in all the cases.

Table 4: Paired t test for Big Bazaar

Attributes	Expectation		Perception		Gap (E-P)		T	DF	Sig (2 tailed)
	Mean	SD	Mean	SD	Mean	SD			
Individual attention	3.9386	0.9245	3.4474	1.1529	0.4912	1.3254	3.9570	113	0.0000
Courteous	4.0877	0.8980	3.6491	0.8923	0.4386	1.0973	4.2680	113	0.0000
Patience	4.0175	0.8412	3.4561	1.0231	0.5614	1.2196	4.9150	113	0.0000
Prompt service	3.9298	0.8797	3.6930	0.9967	0.2368	1.3123	1.9270	113	0.0560
Response to complaint	4.1579	0.8263	3.5789	0.9857	0.5790	1.2891	4.7950	113	0.0000
Modern look	3.9912	0.8146	3.6316	0.9890	0.3597	1.2769	3.0070	113	0.0030
Parking space	4.1053	0.9059	3.6404	1.1061	0.4649	1.4885	3.3350	113	0.0010

Food courts	3.9211	1.0057	3.5702	1.1128	0.3509	1.5627	2.3970	113	0.0180
Clean environment	4.0526	0.9942	3.5965	1.0620	0.4561	1.4213	3.4270	113	0.0010
Well maintained	4.0526	1.0958	3.6491	1.0474	0.4035	1.3614	3.1650	113	0.0020
Trial rooms	3.9825	0.9499	3.8860	1.0198	0.0965	1.3101	0.7860	113	0.4330
Assortment	4.0351	0.9016	3.8421	0.9080	0.1930	1.2752	1.6160	113	0.1090
Layout	3.9737	0.7810	3.7544	1.0690	0.2193	1.2604	1.8580	113	0.0660
Range of products	4.2544	0.8072	3.7544	1.0353	0.5000	1.2708	4.2010	113	0.0000
Timely damage handling	3.9737	0.8143	3.6930	0.9036	0.2807	1.1171	2.6830	113	0.0080
Merchandise	4.0175	0.9684	3.7105	1.1423	0.3070	1.4459	2.2670	113	0.0250
Safe and accurate transaction	4.0439	0.8864	3.6667	1.1725	0.3772	1.3978	2.8810	113	0.0050
Knowledge of employees	4.0526	0.9762	3.4386	0.9597	0.6140	1.3137	4.9910	113	0.0000
Willingness to damage handling	3.9649	0.8918	3.3596	1.1220	0.6053	1.4911	4.3340	113	0.0000
Sincerity	4.0263	0.8669	3.5351	1.0234	0.4912	1.4158	3.7050	113	0.0000
Firm communication	4.1579	0.8782	1.0203		0.4123	1.2252	3.5930	113	0.0000

Table 5: Paired *t* test for Celebration Mall

Attributes	Expectation		Perception		Gap (E-P)		T	DF	Sig (2 tailed)
	Mean	SD	Mean	SD	Mean	SD			
Individual attention	3.9386	0.9245	3.7807	1.1881	0.1579	1.4178	1.1890	113	0.2370
Courteous	4.0877	0.8980	3.9912	0.9911	0.0965	1.1519	0.8940	113	0.3730
Patience	4.0175	0.8412	3.7544	0.9645	0.2631	1.2625	2.2260	113	0.0280
Prompt service	3.9298	0.8797	4.1053	0.9252	-0.1755	1.1071	-1.6920	113	0.0930
Response to complaint	4.1579	0.8263	3.8246	1.0412	0.3333	1.3215	2.6930	113	0.0080
Modern look	3.9912	0.8146	4.1667	0.9859	-0.1755	1.1768	-1.5920	113	0.1140
Parking space	4.1053	0.9059	4.0789	1.0231	0.0264	1.2299	0.2280	113	0.8200
Food courts	3.9211	1.0057	4.0263	1.0345	-0.1052	1.4656	-0.7670	113	0.4450

Clean environment	4.0526	0.9942	4.1140	0.9845	-0.0614	1.3054	-0.5020	113	0.6160
Well maintained	4.0526	1.0958	3.8596	1.0798	0.1930	1.3689	1.5050	113	0.1350
Trial rooms	3.9825	0.9499	4.1228	0.9514	-0.1403	1.1589	-1.2930	113	0.1990
Assortment	4.0351	0.9016	3.9561	1.0675	0.0790	1.4399	0.5850	113	0.5590
Layout	3.9737	0.7810	4.1053	0.9252	-0.1316	1.2230	-1.1490	113	0.2530
Range of products	4.2544	0.8072	4.1140	0.9290	0.1404	1.2257	1.2230	113	0.2240
Timely damage handling	3.9737	0.8143	3.8860	1.0370	0.0877	1.2378	0.7570	113	0.4510
Merchandise	4.0175	0.9684	4.0263	1.1088	-0.0088	1.4421	-0.0650	113	0.9480
Safe and accurate transaction	4.0439	0.8864	3.7193	1.3600	0.3246	1.4904	2.3250	113	0.0220
Knowledge of employees	4.0526	0.9762	3.8158	1.0936	0.2368	1.4713	1.7190	113	0.0880
Willingness to damage handling	3.9649	0.8918	3.6491	1.2046	0.3158	1.3973	2.4130	113	0.0170
Sincerity	4.0263	0.8669	3.9211	0.9699	0.1052	1.2506	0.8990	113	0.3710
Firm communication	4.1579	0.8782	4.0614	1.0667	0.0965	1.2549	0.8210	113	0.4130

Table 6: Paired t test for Vishal Megamart

Attributes	Expectation		Perception		Gap (E-P)		T	DF	Sig (2 tailed)
	Mean	SD	Mean	SD	Mean	SD			
Individual attention	3.9386	0.9245	3.2018	1.2422	0.7368	1.4516	5.4200	113	0.0000
Courteous	4.0877	0.8980	3.4035	1.0281	0.6842	1.2360	5.9100	113	0.0000
Patience	4.0175	0.8412	3.5000	0.8949	0.5175	1.2426	4.4470	113	0.0000
Prompt service	3.9298	0.8797	3.2982	1.0385	0.6316	1.3121	5.1400	113	0.0000
Response to complaint	4.1579	0.8263	3.6053	1.1180	0.5526	1.3041	4.5240	113	0.0000
Modern look	3.9912	0.8146	3.2982	1.0470	0.6930	1.3445	5.5030	113	0.0000
Parking space	4.1053	0.9059	3.3684	1.1844	0.7369	1.5518	5.0700	113	0.0000

Food courts	3.9211	1.0057	3.3158	1.1076	0.6053	1.4911	4.3340	113	0.0000
Clean environment	4.0526	0.9942	3.3860	1.0931	0.6666	1.5324	4.6450	113	0.0000
Well maintained	4.0526	1.0958	3.4561	1.0317	0.5965	1.4311	4.4500	113	0.0000
Trial rooms	3.9825	0.9499	3.6754	1.0767	0.3071	1.3576	2.4150	113	0.0170
Assortment	4.0351	0.9016	3.6140	0.9640	0.4211	1.3626	3.2990	113	0.0010
Layout	3.9737	0.7810	3.4649	0.9972	0.5088	1.1843	4.5870	113	0.0000
Range of products	4.2544	0.8072	3.3333	1.1024	0.9211	1.2631	7.7860	113	0.0000
Timely damage handling	3.9737	0.8143	3.4912	1.0240	0.4825	1.2064	4.2700	113	0.0000
Merchandise	4.0175	0.9684	3.4123	1.1811	0.6052	1.5436	4.1870	113	0.0000
Safe and accurate transaction	4.0439	0.8864	3.3596	1.3379	0.6843	1.5245	4.7920	113	0.0000
Knowledge of employees	4.0526	0.9762	3.3421	1.1197	0.7105	1.3808	5.4940	113	0.0000
Willingness to damage handling	3.9649	0.8918	3.2807	1.2084	0.6842	1.4593	5.0060	113	0.0000
Sincerity	4.0263	0.8669	3.4561	1.0571	0.5702	1.3168	4.6230	113	0.0000
Firm communication	4.1579	0.8782	3.7982	1.1381	0.3597	1.3111	2.9290	113	0.0040

H₂: The level of satisfaction remains considerably same across the chosen hypermarkets for study.

ANOVA test was performed to examine whether mean satisfaction level remained same across the category formed on select hypermarket. Tables 7 and 8 show significant variation in the level of satisfaction across the categories. Respondents have demonstrated their agreement on level of satisfaction for Celebrity Mall in comparison with the other hypermarkets. The iota of dissatisfaction intensified in the case of Vishal Megamart.

Table 7: Level of Satisfaction

Hypermarkets	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Big Bazaar	114	3.4386	1.04784	.09814	3.2442	3.6330	1.00	5.00
Celebration Mall	114	4.3421	.75056	.07030	4.2028	4.4814	2.00	5.00
Vishal Megamart	114	2.9035	1.06405	.09966	2.7061	3.1009	1.00	5.00
Total	342	3.5614	1.13102	.06116	3.4411	3.6817	1.00	5.00

Table 8: ANOVA – Level of Satisfaction

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	120.544	2	60.272	64.727	.000
Within Groups	315.667	339	.931		
Total	436.211	341			

Conclusion

Satisfying customer is one of the main objectives of every business because retaining a satisfied customer is more profitable than acquiring a new one. Retailing in India is gradually edging its way towards becoming the next boom industry. In today's competitive retail environment, delivery of high service quality has long been treated as a basic business strategy. This can be achieved through high service quality delivery. The results reveal that customers are highly satisfied with the service quality of Celebration Mall. However, dissatisfaction for Celebration Mall is chiefly attributed to service qualities which include response to complaint, safe and accurate transaction, overall patience, and willingness of the employees to damage handling. The customers have attributed satisfaction for Big Bazaar on a few constructs while dissatisfaction intensified in the case of Vishal Megamart.

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APPENDIX

Questionnaire

Name: _____ Age: _____

Qualification: PG Prof. Degree Up to Graduation

Financial Status: Dependent Independent

How frequently do you visit malls for shopping?

Most frequently Occasionally Rarely

Please display your degree of agreement on the following statements. Tick (✓) in the appropriate box

Store should give individual attention to customers

Strongly Disagree Disagree No Idea Agree Strongly Agree

Employees in store should be courteous with customers

Strongly Disagree Disagree No Idea Agree Strongly Agree

Employee should show patience in answering customer's queries

Strongly Disagree Disagree No Idea Agree Strongly Agree

Employees in store should give prompt service to customers

Strongly Disagree Disagree No Idea Agree Strongly Agree

Store should response to complaint in time

Strongly Disagree Disagree No Idea Agree Strongly Agree

Store should have modern looking equipment and fixture

Strongly Disagree Disagree No Idea Agree Strongly Agree

Store should have enough parking spaces

Strongly Disagree Disagree No Idea Agree Strongly Agree

Availability of food courts is important in store

Strongly Disagree Disagree No Idea Agree Strongly Agree

Store should have clean environment

Strongly Disagree Disagree No Idea Agree Strongly Agree

Each facility should be well-maintained inside the store

Strongly Disagree Disagree No Idea Agree Strongly Agree

Store should have trial rooms

Strongly Disagree Disagree No Idea Agree Strongly Agree

Products should be classified and arranged accordingly in the store

Strongly Disagree Disagree No Idea Agree Strongly Agree

Store layout should make easier for customers to move around in the store

Strongly Disagree Disagree No Idea Agree Strongly Agree

Store should offers range of products

Strongly Disagree Disagree No Idea Agree Strongly Agree

Store should do repairs, alterations in the given time

Strongly Disagree Disagree No Idea Agree Strongly Agree

Store should offers high quality merchandise/product

Strongly Disagree Disagree No Idea Agree Strongly Agree

Transactions should be Safe and accurate

Strongly Disagree Disagree No Idea Agree Strongly Agree

Employees in the store must have knowledge to answer customer's queries

Strongly Disagree Disagree No Idea Agree Strongly Agree

Store should show willingness in handling returns and exchanges

Strongly Disagree Disagree No Idea Agree Strongly Agree

Employee should show a sincere interest in solving customer's problem

Strongly Disagree Disagree No Idea Agree Strongly Agree

Communication of employees should be firm and understandable

Strongly Disagree Disagree No Idea Agree Strongly Agree

What is your level of satisfaction for the following malls/stores?

Refer to score table.

- Big Bazaar
- Celebration Mall
- Vishal Mega Mart

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

- | |
|---------------------------|
| 1- Extremely dissatisfied |
| 2- Dissatisfied |
| 3- No Idea |
| 4- Satisfied |
| 5- Extremely Satisfied |

Please display your degree of agreement on the following statements.

Tick (✓) in the appropriate box

Strongly Disagree (SD), Disagree (D), Neutral (N), Agree (A), Strongly Agree (SA)

Dimension\ Stores	Celebration Mall					Big Bazaar					Vishal Mega Mart				
	S D	D	N	A	SA	S D	D	N	A	S A	S D	D	N	A	S A
This store gives customers individual attention															
Employees in this store are consistently courteous with customers															
Employees shows patience in answering customers queries															
The employees in this store give prompt service to customers															
Speed of Response to Complaints is adequate															
Modern Look equipment and fixtures															
There is availability of parking spaces in the store															
There is availability of food courts in the store															
The environment inside the store is clean															
Each facility is well maintained inside the store															
Store has trial rooms															
Products are classified and arranged accordingly in the store															
Store layout makes it easier for customers to move around in the store															
Store offers range of products															
Store promises to do repairs, alterations in the given time															

This store offers high quality merchandise/ product																			
The transactions are Safe and accurate in this store																			
Employees in the store have the knowledge to answer customers' questions																			
This store willingly handles returns and exchanges																			
Employees of this store shows a sincere interest in solving customer's problem																			
Communication of employees is firm and understandable																			

Any additional information/suggestion you would like to provide which will add value to this exercise.

Managing Luxury Brands in Turbulent Times

Sidharth Udani*
Vinay Gupta*

A luxury product is one that has superior quality and enhances the status of the buyer in the social circle. What is luxury varies from customer to customer and varies with shift in economic and social conditions. The target market for luxury goods have always been ultra high net worth individuals, but the trend seems to be changing with increase in disposable income for middle class people. Access to credit and rapidly changing lifestyles are paving way for middle class people to carving out for luxury items.

The recession of 2009 affected most markets around the world and the luxury market was no exception. Although the recession mostly affected the low and middle class people with people losing jobs and economy failing in most of the countries, there have been issues such as rising fuel costs, rise in food and commodity prices, and falling of property values (Sherman, 2008). Spending reduced, savings came down, and consumption lowered during this period. Restrained spending on luxury goods by the less affluent people compelled most manufacturers of luxury brands to bring down prices. Luxury products always seem to be worst hit whenever there is a financial downturn or recession.

* Students of MBA (FT),
Institute of Management,
Nirma University, Ahmedabad

The *Economist* gives out two main reasons for the tightening of purse by the rich. One is the hit on the portfolios of the rich from the equity and research markets. It's not about how much have they lost but they are not sure much they are going to lose even now. With the markets crashing and panic everywhere, investors seem to take off their money from stocks and book heavy losses. This panic and losses seem to restrain the rich from spending on luxury goods.

The second reason is that by spending on luxury goods in these turbulent times, a wrong message may be send that the rich are doing it for show off, especially when jobs are fast disappearing and economies are on a downward slide. In a way conspicuous consumption is fading away.

Figure 1: Loius Vuitton Company Reports



During 2008-9, three out of five luxury goods companies experienced downturn and losses. Richemont, Swatch group, PPR group, and LVMH experienced no positive impact on their sales figures during the recession period.

The impact of global recession was also seen on Swiss luxury watch business according to reports from the federation of the Swiss watch industry. In November 2008, watch exports dropped by 15.3 per cent compared to previous year figures. Also prices were greatly affected, especially for watches in the range of \$435 to \$2600.

A study by the Luxury Marketing Council in the US of about 400 companies showed that 77 per cent of companies said they will be negatively affected by the recession, while 22 per cent said there will not be any effect of recession on them. The ones who felt the heat of the recession were looking for following options:

- 52 per cent cut in marketing/advertising expenditure
- 23 per cent lay-off of staff
- 36 per cent reducing orders to suppliers
- 8 per cent reduce staff hours
- 1 per cent reducing the prices

Are these the right steps to be taken by luxury brands in turbulent times? Should these luxury brands really go for short-term tactics like cutting prices and reducing marketing/advertising expenditures, since the luxury goods are supposed to satisfy the hedonic needs of the ultra-rich people? Luxury brands should never get caught up in austerity: there is always a need for lustful consumption. If luxury brands have to go through these difficult times, they will have to keep the sexy aura of desirability alive in the minds of consumers.

A model is proposed for companies manufacturing luxury goods to fight against recession.

Provide Maximum Value to Customer

Companies generally make the mistake of lowering prices as soon as a recession hits the economy. Rather than concentrating on short-term benefits by lowering prices, companies should try to focus on long-term benefits. They should try to over-deliver from their promise and build a connect with the customers for future. They should try to create a brand experience by re-innovating the product and communicating the benefits. One of the classic examples is Apple iPhone which maintained its premium price tag even in recession and made phenomenal sales. This was achieved by delivering a product over the expectations of people and promise. The result was that loyal Apple fans waited in line for hours to buy an iPhone. Others who couldn't wait to have their grab on the latest iPhone paid heavy premium. If a company can provide maximum value to the customer, there is no reason to suppress the price. Another part of value creation is to generate customer loyalty.

Diversification

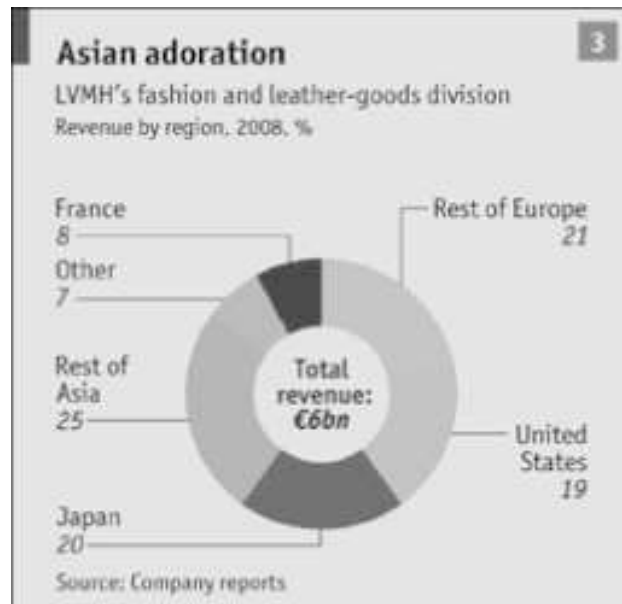
Companies should try to cater to the needs of all consumer targets. They should diversify the product portfolio to satisfy their consumer needs, keeping their premium products untouched. Since consumers will anyway spend on luxury items and will cut on other

products, companies should always be ready to satisfy those needs. Companies taking the mid-way approach land up nowhere and end up losing valuable customers.

Focus on Developing Markets

BRIC countries are emerging as the future market for luxury goods. China, currently fourth in the luxury market, is expected to be second by 2015 with a market share of approximately 29 per cent. Companies like Carter and Burberry are making huge investments and opening stores in China to expand their market. The luxury market is rising in India manifold and is expected to reach 30 billion in 2007. This can be seen with Louis Vuitton opening 25 stores and Zara coming with its exclusive showrooms in Mumbai and Delhi.

Figure 2: Growth in Luxury Markets (LVMH)



LVMH gets majority of its revenues from the Asian developing countries, thus re-affirming the idea of focusing extensively on developing markets.

Brazil, South America's largest nation, was barely affected by the recession and incomes have been steadily rising. According to Goldman Sachs, the luxury market in Brazil was about US\$7.6 billion, double of 2006. Brands like Burberry, Louis Vuitton, and Salvatore Ferragamo are looking for opportunities to open new stores in different cities.

Figure 3: Factors for Growing Demand in Emerging Markets



Improving lifestyle and growing awareness have helped in creating increased demand for luxury goods in developing countries. Majorly, demand for luxury goods originates from working people and financially stable youngsters.

Exploring New Channels

Online shopping has also helped in the surging demand for luxury goods. According to Bain & Co., online shopping for luxury goods has increased by more than 20 per cent. During 2010, luxury brands such as Armani, Gucci, and Louis Vuitton have seen more sales through e-luxury websites such as Glamour-sales.com, shangpin.com, and Yintai.com. These websites have given customers better access to information on luxury brands and better options to purchase online in these difficult times. As the attention of consumers towards ecommerce related websites grows, it is appropriate for luxury goods makers to push for online sales both during recession and after that.

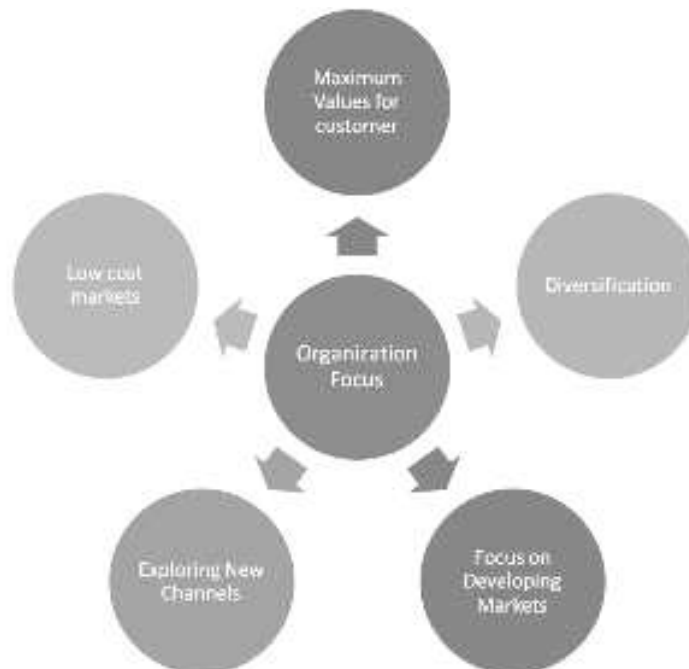
Luxury brands are incorporating Quick Response (QR) codes in their mailers and ads to encourage more purchase. With the advancement of mobile technology and high-end mobiles, customers can download information and make purchases. Gucci and Ralph Lauren were the first to introduce this and saw a surge in their sales.

Most of the companies are now shifting their manufacturing base to Asian countries, especially China and India. Since these markets have low labour costs and government too helps in infrastructure, manufacturers of luxury goods can shift production to these countries. This will help them to manufacture low price products as well which can be sold in matured markets.

One example of a luxury brand which thrives in recession is Hermes. Hermes, instead of following the trends and slashing the prices, concentrated on its strengths of producing expensive but timeless classic clothing with impeccable quality to win over customers. The results were impressive with Hermes managing to register increase in sales by around 8.5 per cent. It focused on delivering long term values to the customer rather than short-term measures of achieving profits.

Another example is Louis Vuitton which has recorded double digit growth even in times of downturn. Louis Vuitton is into the business of wines, jewelry, clothing, and cosmetics. It has diversified in different locations as Europe, Asia (excluding Japan) and Australia, besides US. This factor greatly helped in posting profits during the recession.

Figure 4: Model for Surviving in a Recessionary Period for a Luxury Brand



Following the steps shown in Figure 4 and with a clear strategy of providing the best possible value to the customer, there is no reason why a luxury brand should fail to prosper even in recession. Great stars shine brightly when the sky is dark. In recessionary times, true and powerful luxury brands bestow pleasure, provide high value, and maintain their premium.

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Compensation: Implication of Organizational Justice on Employee Engagement and Mediating Role of Motivation and Job Satisfaction

Pooja Misra*

The retail industry of India accounts for over 10 per cent of the country's GDP and is one of the most dynamic and fast paced industries. It is gradually inching its way towards becoming the next booming industry. This industry is projected to grow from \$395.96 billion in 2011 to \$785.12 billion by 2015. The factors fuelling this rapid growth are strong underlying economic growth, population expansion, increasing wealth of individuals, and the rapid construction of organized retail infrastructure. India has been ranked as the third most attractive nation for retail investment amongst 30 emerging markets by the US-based global management consulting firm, A T Kearney in its ninth annual Global Retail Development Index 2010.

The organized retail sector's share is expected to increase from 5 per cent in 2008 to 14 – 18 per cent by 2015 and will be the second largest employment generator in the country. Attrition rates in this industry are 35-40 per cent (2010) with front end jobs facing 60-80 per cent attrition rate. One of the factors responsible for the high attrition rate is compensation

** Faculty, Birla Institute of
Management Technology,
Greater Noida*

and benefits. Retention and motivation of personnel has become a major concern for in the retail industry, especially organized retail.

Few studies have been done on analysing HR challenges in the Indian retail sector. While developing processes and systems, Indian retailers need to develop good HR practices to enhance competency and retention of employees that will address not only the current shortfall but also future challenges (Singh and Mishra, 2008). The need of the day is for retailers to clearly spell out their values and goals, provide a good work environment, help employees maintain a work-life balance, invest in training and development, devise an effective compensation strategy, and ensure fair and equitable treatment.

While systems and processes can be duplicated, the competitive advantage provided by highly engaged employees cannot be replicated. Evidence shows that high levels of employee engagement are associated with improved individual employee performance (Chang, 2006; Crawford, 2006; Luthans and Peterson, 2002; Smythe, 2008; Walters, 2008). Gallup has empirically determined employee engagement to be a significant predictor of desirable organizational outcomes such as customer satisfaction, retention, productivity, and profitability.

According to Gallup, less than 30 per cent of employees work with passion and feel a profound connection to their companies. Kahn (1990) reports that people vary in their engagement levels as a function of the perceptions of the benefits they receive from a role. A sense of return on investments can come from external rewards and recognition in addition to meaningful work. Benefits, pay, and incentives are some of the compensation package components that create value for the organization and its employees. Compensation, which was used as rewards for excellent job performance, affects employee morale and job satisfaction. On receiving rewards and recognition, employees feel obliged to respond with higher levels of engagement. Employees with perception of higher levels of procedural and distributive justice are more likely to feel obliged and perform their roles by putting in discretionary effort and giving more of themselves through greater levels of engagement.

Compensation

Compensation is one of the strategic and important functions of human resource management. According to Bergmann and Scarpello (2001), compensation motivates employees to increase their effort and output towards the achievement of organizational goals. An effective and just compensation policy can act as a stimulant for an organization to gain competitive edge.

Compensation primarily has two objectives: a reward for services rendered to the organization and a stimulus to motivate employees to improve performance. Compensation should be adequate, equitable, balanced, cost effective, incentive providing, and acceptable to the employer. Antecedents of compensation comprises elements like base pay, rewards, benefits, career growth, and social pay. Rewards such as bonus, incentives, merit pay, stocks, etc. are considered vital for motivation and long term retention of employees. Incentives are offered to employees to put forth their best effort in order to maximize results. An efficient pay for performance incentive scheme consists of agreed upon, challenging, and realistic targets. Positive outcomes such as higher subsequent performance are more likely when pay increases are made contingent on good performance (Gerhart and Milkovich, 1992).

According to organizations can enhance their position among existing – and prospective – employees by rewarding them. When employees feel that they are being treated fairly and appreciated, they give more of their time, creative energy and value adding discretionary effort. Organizational justice is fundamental to compensation systems. Compensation is formulated based on internal consistency and pay level relative to the market. Internal consistency refers to comparisons amongst jobs or skill levels inside an organization. External competitiveness is when compensation is market driven. The fairness of an internally aligned and externally competitive pay structure is judged in terms of distributive justice and procedural justice. Procedural justice is the perceived fairness of procedures for determining pay structure, rules and procedures guiding pay decisions, and the information that accompanies their implementation. Distributive justice is perceived fairness of pay received and the ratio between the contribution of employees (input) and compensation received relevant to others. Research has shown that distributive and procedural justice represent major mechanisms through which pay attributes are judged (Tremblay, Sire, and Balkin, 2000). Many employees perceive pay allocation decisions to be unfair (Heneman and Judge 2000; Tekleab, Bartol, and Liu, 2005) which may explain the weak link between actual pay and performance.

Motivation

Luthans and Peterson (2002) define motivation as a process that starts with a physiological or psychological deficiency or need that activates a behaviour or drive that is aimed at a goal. Motivation is a process that drives the individual to voluntarily produce effort in his work (Lawler, 1964; Porter and Lawler, 1968).

Reward systems and pay for performance are aimed at compensating employees for their skill, effort, responsibility, and working conditions, and motivating them for higher

performance. While some studies find that money is a motivator other researchers argue that money is a hygiene factor. It is also seen that money satisfies higher needs and has become a measure of performance and a way of exercising power. Money in the form of salary is related to control and in the form of commission is related to motivation.

Job Satisfaction

Job satisfaction is defined as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences (Locke, 1976). Thus, job satisfaction is directly tied to individual needs including challenging work, equitable compensation, and a supportive work environment (Ostroff, 1992). In compensation studies, it has been found that the process of social comparison with relevant others is a major determinant of job satisfaction. If one's input/pay ratio is similar to the input/pay ratio of the referent, one would be satisfied with one's pay and vice versa. It can be understood as an outcome of the gap between what one desires and what one gets. The aim is to measure the relationship between the feelings of satisfaction aroused by different forms of compensation and job satisfaction. Heneman and Schwab (1985) have conceptualized pay satisfaction as a multidimensional construct and defined a four-facet structure of pay satisfaction: pay level, benefits, raises, and administration. Pay satisfaction is an important determinant of an employee's intent to leave the organization.

Employee Engagement

Employee engagement has been widely written about and has its basis in practice rather than theory. There has been surprisingly little academic and empirical research on a topic that has become so popular. Employee engagement has been defined as an emotional and intellectual commitment to the organization or the amount of discretionary effort exhibited by employees in their jobs. Kahn (1990) defines personal engagement as “the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances.” Kahn (1990) states that employee engagement is associated with three psychological conditions of meaningfulness, safety, and availability. Burnout researchers define engagement as the opposite or positive antithesis of burnout (Maslach, Schaufelli, and Leiter, 2001). Engagement is characterized by energy, involvement, and efficacy, the direct opposite of the three burnout dimensions of exhaustion, cynicism, and inefficacy. They have identified six areas of work-life which lead to burnout and engagement: workload, control, rewards and recognition, community and social support, perceived fairness, and values. Surveys designed

on employee engagement gauge the perception of employees on several parameters such as values and beliefs of organizations, working conditions, investment in training and development, performance appraisal systems, leadership guidance, compensation practices, reward and recognition programs, and other HR policies. To gauge the level of employee engagement, motivational strategies used by organizations have included reward and benefits as a touchpoint.

Literature Review and Study Hypothesis

Liberalization of the Indian economy in 1991 created a hypercompetitive environment and, to respond to this turbulence. Indian firms are using clear remuneration policies to attract and retain talent.

Research shows that organizations with flatter, more participative management perform better than rigidly hierarchical organizations. If everyone is eligible, should incentive pay go to all employees? Or should you make all workers eligible but dole out awards based only on the achievement of certain goals? Job performance is influenced directly by extrinsic factors such as fairness of current rewards and potential for rewards. Researchers argue that only when supervisors use performance information that is reliably related to outcomes are employees favorably disposed to the distributive fairness of their outcomes. Despite the recognition of pay valence for employees in general and salespeople in particular, dissatisfaction with pay and compensation plans remains prominent in employee surveys (Ramaswami and Singh, 2003). More importantly, if all employees receive the same reward there would be questions of perceived fairness which would have a demotivating effect on employee morale. Brown, Sturman, and Simering, (2003) found that pay level practices and pay structures interact to affect resource efficiency, patient care outcomes, and financial performance. The results demonstrate the importance of considering the different elements of a compensation plan while considering the relationship between pay systems and organizational performance.

Organizational Justice: Impact of Compensation Components on Employee Engagement

Engaged employees are a key to creating a competitive advantage for an organization. The beneficial effects of organizational commitment or employee engagement are being increasingly recognized. The linkage between satisfied workers and customer satisfaction drives a large number of organizations to utilize incentive programmes to improve workplace productivity, reduce absenteeism, and reward employee contributions. Gallup has found that

retail stores in the bottom 25 per cent employee engagement parameters significantly underperformed across productivity measures: sales, customer complaints, and turnover (Kular et al., 2008).

Researchers have identified job characteristics, perceived organizational support, perceived supervisor support, reward and recognition, procedural justice and distributive justice as antecedents of employee engagement. These antecedents have been identified on the basis of Kahn (1990), and Maslach, Schaufelli, and Leiter (2001) and the social exchange theory have a positive relationship with employee engagement (Sak, 2006). Job satisfaction has also been determined to be positively related to employee engagement. However, the causality between these two constructs needs to be studied further. Incentive compensation as stated by researchers as an antecedent of employee engagement can also be explored into. Of the many drivers of employee engagement, competitive pay and benefits have been found to be important (Philips and Roper, 2009).

According to Shore and Thompson (2009) five keys to engaging employees are: know them; grow them; inspire them; involve them, and reward them. When people believe they are treated fairly and appreciated, they give more of their time and creative energy. When these five principles are at the core, employees consistently give value adding discretionary effort, impacting the organization's and individual's performance. Distributive and procedural justice seem to be viewed by employees as more important than actual pay. While much of the research has been conducted in the US, future research must further explore other countries where not much is known about engagement levels. Bhatnagar's (2008) study of talent management and its relationship to employee engagement of Indian BPO / ITeS employees in the ITeS sector found fair pay to be important. It is thus seen that organizational justice (procedural and distributive justice) in terms compensation components could impact on employee engagement in an organization.

Organizational Justice: Impact of Compensation Components on Motivation and Job Satisfaction

Rewards, incentives, and compensation linked to one's performance and achievement of organizational goals have a motivating effect on an employee and also lead to job satisfaction. Sirota (2006) states that to maintain an enthusiastic workforce, management must meet all three goals of equity: to be respected and to be treated fairly in areas such as pay, benefits, and job security; achievement, and camaraderie. Other studies demonstrate a positive relationship between the perceived characteristics of the complete compensation system and extrinsic motivation. Rewards affect motivation, which in turn affects effort and

ultimately performance. The compensation system also significantly affects work satisfaction and turnover intent.

Of the three types of compensation (straight salary, combination and straight commission), the combination plan is the most popular. Most selling positions require a compromise between maximum control–minimum motivation and maximum motivation–minimum control (Cooke, 1999). Poornima (2009) found that Herzberg's motivation is based on an employee being satisfied or not satisfied. If hygiene factors are not present in an organization, demotivation, and dissatisfaction will result. Several researchers have suggested implementing “pay-for-performance”, “performance-related pay” (PRP) or “performance pay” (lately called merit pay). Based on the fairness of pay biases in performance appraisal and biased pay allocations can be viewed as violations of organizational justice and/or as forms of organizational politics (Salimaki and Jansen, 2009). Traditionally, stock-based compensation plans have been used by companies to reward top management and key employees and to link their interests with shareholders. However, more companies now consider many or all employees as key employees. Human capital has emerged as the most critical firm asset. Decision-making is no longer concentrated at the top of the organizational chart, which implies that aligning shareholder and employee interests may be important to firm performance (Frye, 2004).

Pay performance incentives differ across executives according to their responsibility and are structured to motivate managers (Aggarwal and Samwick 2003). Employees who receive higher pay feel more highly valued by the organization and those who feel valued highly are rated as higher performers. It should be noted that there may be alternative explanations for this mediated relationship. In particular, perceptions of distributive and/or procedural justice may account for the results as the authors of the study did not measure fairness or justice perceptions in the current study; these are interesting questions for future research (Gardener, Dyne, and Pierce, 2004).

We can thus, infer that Organizational justice in terms of fair and equitable pay impacts the motivation level of employees.

H₁: Organizational justice i.e. distributive and procedural justice, is positively linked to motivation levels with reference to amount related and process related dimension of Compensation.

Employees' satisfaction with their pay is a function of the discrepancy between employees' perception of how much pay they should receive and how much pay they actually receive. A

pay structure that is perceived to be unequal is associated with a substantial reduction in both non-union members' overall job satisfaction and their satisfaction with pay (Petrescu and Simmons, 2008). Results show that all factor loadings for the four dimensions of pay satisfaction are relatively strong, with the highest for pay-raise, followed by benefits, structure/administration and then pay level. An important factor that may affect the direction of the relation between performance and turnover is whether or not work-related rewards are contingent on performance. If the best employees receive desired rewards, they may exhibit higher job satisfaction and, as a result, reduced turnover. Most of the earlier research in the area of pay satisfaction was confined to US based corporations. However in recent years, pay satisfaction has been increasingly studied in an international context. Results have shown that expectancy perception, instrumental perception, distributive justice, and procedural justice are significant determinants of satisfaction with pay incentive schemes. In the case of job satisfaction, when the compensation is judged as being fair in relation to both internal and external equity, it can increase the feeling of job satisfaction for all employees. The possible developments of this research could lead to a comparison between employees of several countries (Igalens and Roussel, 1999).

Therefore, from the review of literature it can be inferred that Organisational Justice in terms of fair and equitable pay impacts satisfaction levels of employees.

H₂: Organizational justice, i.e. distributive and procedural justice, is positively linked to satisfaction with amount related and process related dimensions of compensation.

Effect of Motivation and Job Satisfaction on Employee Engagement

Studies have shown the importance of compensation and benefits as one of the main organizational factors that affect employee engagement. Studies have also shown that there is no direct link between the two constructs. Compensation used as rewards for excellent performance affects an employee's morale and job satisfaction which in turn has a positive implication on employee engagement. The four drives that underlie motivation are: drive to acquire, drive to bond, drive to comprehend, and drive to defend. The drive to acquire is most easily satisfied by an organization's reward system – how effectively it discriminates between good and poor performers, ties rewards to performance, and gives the best people opportunities for advancement (Nohria, Groysberg, and Lee, 2008). In 1995, when Sonoco instituted a pay-for-performance system under Cynthia Hartley, employee satisfaction and employee engagement improved.

Pay and benefits, equality of opportunity, fairness of treatment, and job satisfaction are some of the drivers of employee engagement (Robinson, Perryman, and Hayday, 2004). It is suggested for the organization to consider performance-based pay and benefits in designing compensation system as the results of this study show performance based pay has influence on job satisfaction and organizational commitment (Ibrahim and Boerhaneoddin, 2010).

The review of literature shows that employee engagement is influenced by motivation and job satisfaction levels of employees.

H₃: Motivations level is positively related to employee engagement

H₄: Job satisfaction is positively related to employee engagement

Compensation, Motivation, Job Satisfaction and Employee Engagement

Employee engagement has emerged as a critical driver of business success in today's competitive environment. Engagement significantly affects employee retention, productivity and loyalty, customer satisfaction, etc.

Some of the engagements predictors are organizational process, values, management, role challenge, work/life balance, information, reward/recognition, work environment and products/services. Some of the employee engagement drivers are job satisfaction, working conditions, and recognition from employer. Employees of a regional US bank cited three main aspects of the job that were of importance to them: commitment to delivering exceptional service; rewarding and recognizing employees' contributions; and feeling fairly compensated (Feather, 2008).

A meta analysis of the relationship between employee engagement and business outcomes reveals a positive relationship between job satisfaction and individual performance. Evidence suggests that employee engagement is related to how people perceive their tangible rewards, i.e. pay and benefits. In situations where employees are not engaged, money becomes a critical factor and money satisfier becomes more important. Providing employees the opportunity to expand their monetary rewards expands the chances for positive emotions. Employee engagement generates positive effect such as job satisfaction. Managers must focus on satisfying basic human needs in the workplace and clarifying desired outcomes (Harter, Schmidt, and Keyes, 2002). Dissatisfaction with pay could result in intent to leave employment.

H₅: Motivation levels will mediate the relationship between compensation components in terms of organizational justice, i.e. distributive and procedural justice, and employee engagement.

H₆: Job satisfaction will mediate the relationship between compensation components in terms of organisational justice, i.e. distributive and procedural justice and employee engagement.

Turnover intent is the intent of an employee on a voluntary basis to leave the organization. Study of pay and turnover intent shows that there is a negative relationship between the two factors. Equity theory research shows that employees who felt that they were being paid unfairly and were being paid too little left the organization (Milkovich and Newman, 2005). Tekleab, Bartol, and Liu (2005) have cited distributive and procedural justice as determinants of pay satisfaction which in turn negatively impacts turnover. According to the Towers Perrin report, 66 per cent of highly engaged employees said that they had no plans to leave as compared to 36 per cent of moderately engaged employees and 12 per cent of disengaged employees.

H₇: Employee engagement is negatively related to turnover intentions.

Objectives

Not much research has been done on the antecedents of employee engagement and its impact on turnover intentions for the retail industry. The literature review shows the importance of organizational justice in terms of compensation as one of the factors that affect employee engagement which in turn impacts organizational effectiveness, but studies have also shown that there is no direct link between the two constructs. Based on the assumption that a mediator to play a role in linking compensation components in terms of organizational justice to the employee engagement construct, it is hypothesized that motivations and job satisfaction mediates the relationship between compensation and employee engagement—an organizational outcome considered in the study as the dependent variable. The study would focus on the retail industry in India with specific reference to retail store operations in Delhi and NCR.

- To analyse the impact of compensation in terms of organizational Justice on employee engagement level and turnover intentions with motivation and job satisfaction as a mediating variable

- To investigate the influence of compensation in terms of organisational justice on motivation and job satisfaction in retail store operations
- To analyse the impact of motivation levels and job satisfaction on employee engagement levels in retail store operations.

Figure 1: Model of Research

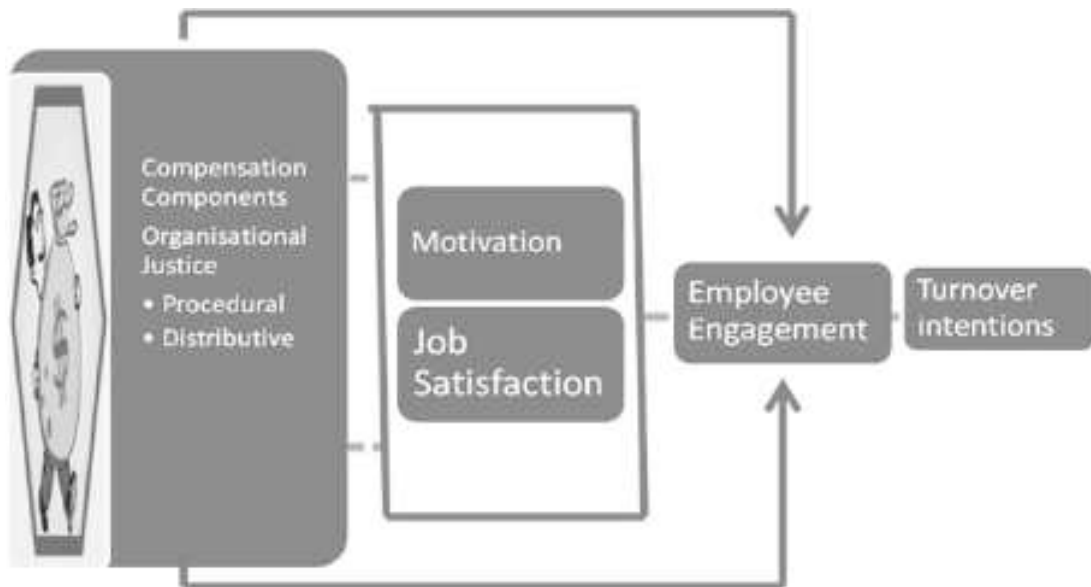


Figure 1 shows the proposed framework. According to Baron and Kenny (1986), three conditions must be met to establish mediation. First, the independent variable(s) (compensation in terms of organizational justice, i.e. distributive and procedural justice) must be related to the mediators (motivation and job satisfaction). Second, the mediator (motivation and job satisfaction) must be related to the dependent variable(s) (employee engagement). Third, a significant relationship between the independent variable(s) (compensation in terms of organizational justice, i.e. distributive and procedural justice) and the dependent variable(s) (employee engagement) will be reduced (partial mediation) or no longer be significant (full mediation) when controlling for the mediators (motivation and job satisfaction).

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Coping Skills: Tool for Work Life Balance in the Hotel Industry

Sandhya Taneja*
B.S Rathore*

Human resources are one of the most important resources of an organization. Hence, it is very important to assess their requirements, expectations, and level of satisfaction. In order to achieve excellence, the organization has to provide products/services of the highest order. And this is possible only when its human resources as a whole perform well. To perform better and effectively, individuals need to be fully prepared for challenges. These challenges in turn create enormous stress, thereby creating a disorder in employees' work and family life (Malik, Salim, and Ahmed, 2010). These pressures are amplified in the hotel industry because it is a customer-facing industry, and operates 24x7. Enormous coping skills are required for the employees in this industry to handle day to day pressures and crunch situations. Owing to ever-increasing demands of work and family, one needs to maintain an optimum balance between personal and professional life. One of the vehicles to help provide attainment of personal and professional goals is to improve the coping skills of individuals, which will make them stress free and help them in maintaining their life balance.

** Faculty of Management Studies, Mody Institute of Technology and Science, Lakshmanagarh*

Work Life Balance

Although the term “work life balance” (WLB) was first coined in 1986, it has been in use for a long time. Roberts (2007) gives the example of working women during the Second World War, who used to perform dual roles. The term work life balance was formulated very late in the 1990s, and emerged from terms like inter-role conflict (Kahn et al., 1964), work-family conflict (Greenhaus and Beutell, 1985) and work-family balance. Finally, in the 1990s, work life balance was recognized as a major human resource management issue (Bird, 2006). Initially the term was used only for working mothers and dual-earner families. But later, single individuals were also included for the reason that they also need to satisfy their need for enjoyment and leisure (Ransome, 2007). Gender discrimination was also challenged by Kossek and Ozeki (1998), who noted that WLB is equally important for men because men are equally burdened by work and family responsibilities. Recent definitions of WLB, in contrast to the earlier ones, approach WLB as referring to the ability of individuals, regardless of age, or gender, to find a rhythm that will allow them to combine their work with their non-work responsibilities, activities, and aspirations (Felstead et al., 2002). Frame and Hartog (2003) aver that “Work life balance means that the employee feels that he or she can freely use flexible working hours to balance his or her work and other commitments like family, hobbies, art, traveling, studies, etc., instead of only focusing on work.” It is accepted that implicitly or explicitly WLB is at the core of the human resource department's major functions and that it may be a powerful leverage point for promoting individual and organizational effectiveness (Grzywacz and Carlson, 2007).

Work Life Balance in Hotel Industry

Although the importance of WLB has been proved in a variety of industries, research in the hospitality and hotel industry with respect to WLB is still very limited. Mulvaney et al. (2006) say that the issues relating to obtaining work life balance have received substantial attention, especially in the area of contemporary organizational research, but less attention has been given to researching the impact of WLB in the hospitality industry. Service industry employees have to face more stress and pressure, owing to special characteristics like intangibility, perishability, variability, and inseparability (Chauhan and Khanna, 2006). These pressures are magnified in the tourism and hospitality industry because of the intensive nature of work and the fact that they operate 24/7 (Deery and Jago, 2009). The hospitality industry is traditionally known to have very long working hours (Cushing, 2004) and presenteeism culture (Cullen and McLaughlin, 2006). Thus, it is very difficult for hotel industry employees to maintain a healthy lifestyle. This in turn creates stress and burnout

which sometimes leads to large employee turnover (Blomme, Rheede, and Tromp, 2010; Deery, 2008; Deery and Jago, 2009).

Coping Skills

Coping skills are the individual ability of employees to cope with day to day pressure and obligations. Each individual is different so each of them has varied degrees of coping skills to handle crunch situations. Lazarus (1998) defines coping skills thus: "Coping skill refers to behavior that protects people from being psychologically harmed by a problematic social experience; a behavior that mediates the impact that society has on its members." Other researchers view it as a mechanism to avoid or at least reduce the level and experience of stress (Havlovic and Keenam, 1991). Employees having poor coping skills are not able to leave their work related issues at workplace and take them home which creates imbalance in work life. Employees who are not able to cope with their work life have to cut down on their outside activities.

Studies on WLB of hotel industry employees and its relationship with coping skills are lacking in India. A clear research gap is also evident in the literature where only a small number of studies focus on WLB of hotel industry employees (Blomme, Rheede, and Tromp, 2010; Lewis and Gruyere, 2010; Deery and Jago, 2009; Deery, 2008; Cullen and McLaughlin, 2006). Lewis and Gruyere, (2010) suggest that hotels can attract and retain high quality staff by measuring WLB implications for employees. In addition, there are only studies of coping skill variables pertaining to stress (Akande, 1992; Khoury and Analoui, 2010; Ahmad and Xavier, 2010), but the impact of coping skills on WLB is not evident in literature. It is also important to find out the appropriate coping styles used by hotel managers, so that we can explore which are those particular coping styles that lead to reduced stress and better WLB. This study is expected to contribute to a better understanding of the impact of coping skills on WLB, and coping styles from the viewpoint of hotel employees based in developing countries.

Methodology

This study was conducted in two stages. In the first stage, an exploratory research was conducted to understand the commonly used coping styles by hotel industry employees. Forty hotel managers were contacted for the purpose, and a semi-structured interview was conducted. The responses were categorized into six coping styles: physical fitness (trying to keep fit through regular exercise, yoga, and meditation), adaptability (learning to adjust to the ever-changing environment), cooperation (working according to the wishes of others),

compromise (trying to make concessions), assertiveness (stating one's limitations to the superior clearly), and exploration (trying to explore new alternatives and solve the problem). In the second stage, this information was used for designing the questionnaire.

The questionnaire containing three sections was designed, using the five-point Likert scale. The first section contained six statements with regard to WLB. This section focused on whether the employee had a balanced work and family life. The second section contained seven statements, and was focused in the amount of coping skills hotel managers possessed in general. In the third section we studied the preferred coping styles of hotel managers. In all, there were 25 statements in the questionnaire. The reliability of the instrument was checked by calculating coefficient alpha with the SPSS software. The score was .704, indicating high reliability.

Primary data were collected from a sample of 150 hotel industry employees. One hundred and thirty-one questionnaires were returned representing 87 per cent response rate. Six questionnaires were rejected because of response error, finally leaving a sample size of 125 hotel employees. The questionnaire was self-administered in order to distribute it in a variety of locations. Six cities in Rajasthan were chosen for data collection, these being tourist places and having maximum number of hotels: Jaipur, Bikaner, Kota, Udaipur, Ajmer, and Jodhpur.

Work Life Balance

The questionnaire had six statements to measure WLB of hotel industry employees. The items included: job stress, organizational support to pursue education and training opportunities, payment against extra hours worked, etc. The coefficient alpha for this scale was $\alpha = .700$, indicating high reliability.

Coping Skills

The hotel industry is a very challenging industry for its human resources as it is totally dependent upon its manpower, is a customer-facing industry, and operates 24x7. This in turn creates immense pressure on employees, requiring high amount of coping skills. The second section of the questionnaire enquired about the coping skills of the employees. The coefficient alpha for this scale was $\alpha = .533$, indicating moderate reliability.

Coping Styles

The third section of the questionnaire contained 12 statements on different coping styles: physical fitness, adaptability, cooperation, compromise, assertiveness, and exploration. The coping style physical fitness included statements regarding the efforts of hotel managers to keep fit through regular exercises, yoga, and meditation, which helped them in releasing their stress and depression. The term adaptability included statements regarding learning to adjust to the ever-changing environment and developing anticipation skills. Cooperation referred to the behaviour of working according to the wishes of others and trying to avoid arguments. Compromise is a type of coping style in which managers try to make concessions in the allotted work, and negotiate with the boss so that their workload can be reduced. Assertiveness refers to stating one's limitations to superiors clearly. Exploration means trying to explore new alternatives. The coefficient alpha for this scale was $\alpha = .592$, indicating moderate reliability.

Demographic Characteristics

The hotel industry of Rajasthan is dominated by male employees, rather than their counterparts (see Table 1). Over half of the respondents are aged below 35 years. Most of the

Table 1: Demographic Characteristics of Respondents

	Frequency	Per cent	Valid Per cent
Male	97	77.6	77.6
Female	28	22.4	22.4
Below 35 years	78	62.4	62.4
Above 35 years	47	37.6	37.6
Single	66	52.8	52.8
Married	59	47.2	47.2
Primary school	0	0	0
Secondary school	9	7.2	7.2
Undergraduate	42	33.6	33.6
Postgraduate	28	22.4	22.4
Professional	46	36.8	36.8
Below 1 year	27	21.6	21.6
1-3 years	69	55.2	55.2
More than 3 years	29	23.2	23.2

respondents are well educated, and have professional degrees. Half of the respondents have been in the industry between 1 and 3 years, and about a quarter have worked for more than 3 years.

Results

Summated scales were used to compute the average of the six WLB items, so that the dependent variable, i.e. WLB, may be converted from six variables into one construct. The coefficient of multiple determination (R^2) was computed to determine the strength of association between the construct WLB and seven variables of coping skills. R^2 of the regression model with $p < 0.05$ comes out to be 0.452 (Table 2). It means that 45.2 per cent of the variation in WLB can be explained by variation in coping skills.

Table 2: Coefficients of Multiple Determination

R	R Square	Adjusted R Square	Std. Error
.672 ^a	.452	.419	.31039

- a. Predictors: (Constant), learning with time, cutting down social activities due to job, I can cope, home things undone because of long working hours, leaving work related problems at work place only, less sleep because of work, help of cigarette and alcohol for coping work pressure

WLB has the strongest significant positive relationship with two variables: leaving things undone around the house because of long working hours (standardized $\beta = 0.317, p = 0.05$), and cutting down social activities (standardized $\beta = 0.311, p = 0.05$). The reason could be that completing home and social activities is the most important priority of an individual other than work. Lagging behind in these activities can lead to WLB. Other variables which were found to have a significant impact were taking the help of cigarettes and alcohol to cope with increasing work pressure (standardized $\beta = 0.277, p = 0.05$) and getting less sleep because of work related responsibilities (standardized $\beta = 0.214, p = 0.05$). The remaining variables were not significant. The results are presented in Table 3.

Table 3: Standardized β Coefficients of Coping Skill Variables

	Unstandardized Coefficients		Standardized Coefficients	t	Significance
	Beta	Std. Error	Beta		
(Constant)	1.185	.258		4.596	.000
Leaving work related problems at work place	-.011	.052	-.023	-.214	.831
Cutting down social activities due to job	.172	.040	.311	4.336	.000
Less sleep because of work	.093	.038	.214	2.450	.016
Help of cigarettes and alcohol for coping with work pressure	.108	.047	.277	2.279	.025
Home things undone because of long working hrs	.135	.031	.317	4.334	.000
I can cope	-.022	.050	-.040	-.433	.666
Learning with time	.049	.045	.091	1.086	.280

Dependent Variable: WLB

Preferred Coping Styles

For ascertaining the most commonly used coping styles by hotel employees, mean and median were calculated. Table 4 shows the results for each dimension, and the overall level of coping styles.

Coping Variables	Mean	Median	Std. Deviation
I prefer to do yoga or meditation to relax and cope with work pressure.	2.37	2	1.20
I try to keep fit through exercising regularly.	2.92	3	0.81
I am trying to adjust to the ever changing environment of this industry.	3.42	4	0.71
After understanding this industry, I have developed anticipation skills and I follow proactive approach to cope with stress.	3.40	4	0.87

I work for other's happiness. If it makes my boss and colleagues happy, I am all for it.	3.38	4	0.82
I avoid argument with my colleagues, whatever work it is.	3.07	3	0.58
Sometimes, it becomes essential to negotiate with boss for increased workload.	2.90	3	0.82
I try to make concessions to arrive at a conclusion that neither makes me feel over-burdened with work, nor it hurts my boss/ colleagues.	2.95	3	0.84
I avoid compromise in my personal/ family issues, whatever the work is.	2.97	3	0.87
I convince my boss, that I have certain limitations, and I cannot perform more than I am doing right now.	3.34	3	0.71
I always prefer win-win situation for negotiation of work and family related issues, so that harmony is maintained.	3.28	3	0.69
I try to dig into an issue to find a solution good for all of us.	3.87	4	0.94

The highest mean score is for “I try to dig into an issue to find a solution good for all of us” (3.87), representing the coping style exploration. The highest score for standard deviation, on the other hand, is for “I prefer to do yoga or meditation to relax and cope with work pressure” (1.20). Based on the median results, the most preferred coping styles for improving the work life balance are : adaptability, exploration, and cooperation. The highest median scores were for statements “I am trying to adjust to the ever changing environment of this industry” (4.00), and “After understanding this industry, I have developed anticipation skills and I follow proactive approach to cope with stress” (4.00), both statements representing adaptability. Other statements having highest median scores were “I work for other's happiness. If it makes my boss and colleagues happy, I am all for it” (4.00), representing cooperation; and “I try to dig into an issue to find a solution good for all of us” (4.00), representing exploration.

Conclusion

We find that coping skills make a significant contribution in maintaining WLB of hotel industry employees. Employees who do not have enough coping skills tend to have more work life conflict. Because of the excessively long working hours, they usually leave many home responsibilities incomplete. This, in turn, has an impact on WLB. They are also likely to miss social gatherings and activities because of which they sometimes feel isolated and frustrated. Moreover, it has a very harmful impact on their health.

Limitations

There are several limitations to this research. Had the sample size been larger, the study may have produced more constructive results. The second limitation is that only managers and executives of five star, three star, and heritage hotels were contacted for the study. The reason was the complexity involved in explaining the content of the study to less educated hotel employees. The third limitation is that it was done in only Rajasthan. This study, if done in other places, may show different results.

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Innovative Kaizen Implementation in Textile Industry

Seema S. Juneja*
Gayatri Doctor**
Vinod Azir***

Arvind Mills, the flagship company of the Lalbhai Group, is a leading composite manufacturer of textiles. Its headquarters is in Ahmedabad. It manufactures a range of cotton shirting, denim, and bottom weights (khakis) fabrics. Arvind also runs a value retail chain, Megamart, which stocks company brands. The late 1980s saw Arvind pioneer the manufacture of denim in India. Today with an installed capacity of over 110 million meters year, it is a leading producer of denim worldwide. Design, innovations, and sustainability have been its core competency and have played a key role in its success. The use of sophisticated ultramodern technology under the guidance of world-renowned designers has enabled Arvind to deliver many firsts in the international market.

Top management at Arvind Denim Fabric division has a vision to implement lean practices and inculcate Kaizen culture within the division. To achieve this, an exclusive Continuous Improvement (CI) department was set up within the division in November 2010.

The foundation of Continuous Improvement is 6S (5S + 1S). 6S is a systematic method of organizing the

* Student, Faculty of
Technology Management,
CEPT University, Ahmedabad

**Faculty, Faculty of
Technology Management,
CEPT University, Ahmedabad

*** Chief Manager,
Continuous Improvement
Department, Arvind Ltd.,
Ahmedabad

workplace to enhance productivity and improve the work environment using VMS (Visual Management System) which is one of the lean techniques designed so that anyone (even an unfamiliar employee) entering a work place can assess the current status of the process / operation. The six Ss are:

Seiri (Sort) : Sort what is needed and not needed so that frequently needed items are available nearby and can be easily found. Things which are less often used or not needed should be relocated or discarded.

Seiton (Set in order) : Arrange essential things in order for easy access. The objective is to minimize the amount of motion required in order for workers to do their jobs.

Seiso (Shine) : Keep machines and work areas clean so as to eliminate problems associated with uncleanliness.

Seiketsu (Standardize) : Make the first 3 Ss a routine practice by implementing clear procedures for sorting, setting, and shining.

Shitsuke (Sustain) : Promote, communicate, and train in the 5 Ss to ensure that it is part of the company's corporate culture.

Anzensei (Safety) : Ensure adherence to safety standards across all functions.

Why Lean Manufacturing?

Many of the concepts in lean manufacturing originate from the Toyota Production System (TPS) and have been implemented gradually throughout Toyota's operations. Lean Manufacturing, also known as Lean Production, is a set of tools and methodologies that aims for continuous elimination of all types of waste from the production process. The significant benefits of this are: lower production costs, increased productivity, and shorter manufacturing lead times. Most of these benefits lead to lower unit production costs: for example, more effective use of equipment and space leads to lower depreciation costs per unit produced; more effective use of labour results in lower labour costs per unit produced.

Lean Manufacturing aims to achieve the same output with less input: less time, less space, less human effort, less machinery, less material, and less cost.

Lean Manufacturing is also appropriate to shorten the production cycle time to absolute minimum as a source of competitive advantage.

Kaizen

Kaizen is a Japanese term for continuous improvement with emphasis on small incremental improvements. A main theme of Kaizen is to create a culture of continuous improvement, largely by assigning responsibility to workers and encouraging them to identify opportunities for improvement (Greg, 2009).

Kaizen is a daily process, the purpose of which goes beyond simple productivity improvement. It is also a process that, when done correctly, humanizes the workplace, eliminates overly hard work (*muri*), and teaches people how to perform experiments on their work using scientific methods and how to learn to spot and eliminate waste in business processes.

Kaizen in Arvind

Lean Manufacturing and Kaizen were completely new concepts at Arvind. It is not too difficult to introduce something new in an organization, but to keep it going and maintaining the momentum is difficult. The objective of the study was to come up with an innovative stratagem which, when implemented, will make staff members practice Kaizen on their own and thus bring cultural transformation within the division. The Denim division has a large workforce, so it was not possible to cover other divisions.

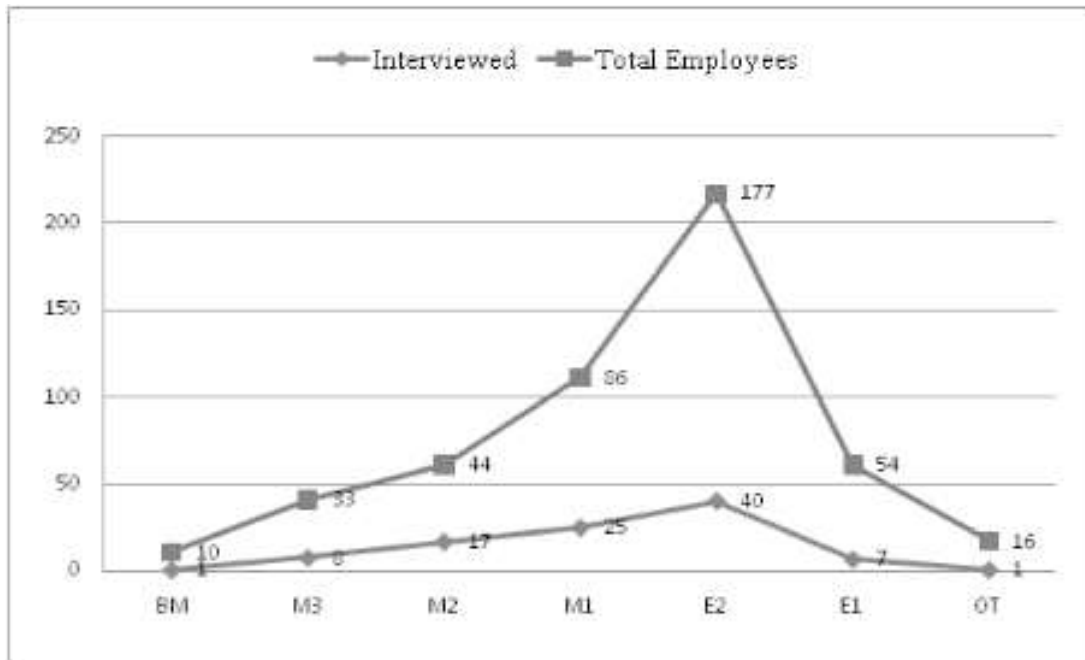
The methodology was interactive and research based. Interaction was done with yellow belt certified staff members so as to understand the Kaizen project which they had carried out. To understand the frame of mind of staff members, we questioned them informally to elicit candid responses. Furthermore we also did some research to come up with some innovative which when practised will make staff members perform Kaizen on their own and thus bring the desired cultural transformation. Interaction was done with 100 staff members in different grades.

The study was done in phases. In the first phase, a Kaizen record was compiled which captured all the information about the Kaizen project. The CI team had compiled a Kaizen record, but some information was not captured.

A questionnaire was devised to capture the suggestions, opinions, and frame of mind of staff members about Continuous Improvement. Questions were put to them in a very furtive way, not like a survey, so as to get candid responses.

In our interaction with staff members, we tried to understand the Kaizen project which was already carried out, ask questions, and accumulate their opinions, and suggestions. Interaction was done with staff members of different departments and different levels so as to have a balanced outcome (Figure 1). OT is the starting level while BM with different sublevels in it is the highest position an employee can reach.

Figure 1: Employees Interviewed



Data Analysis

In order to analyse the data related to the Kaizen projects taken up by the staff members, hypothesis testing was done. The hypotheses were stated in such a way that they are mutually exclusive. That is, if one is true, the other must be false.

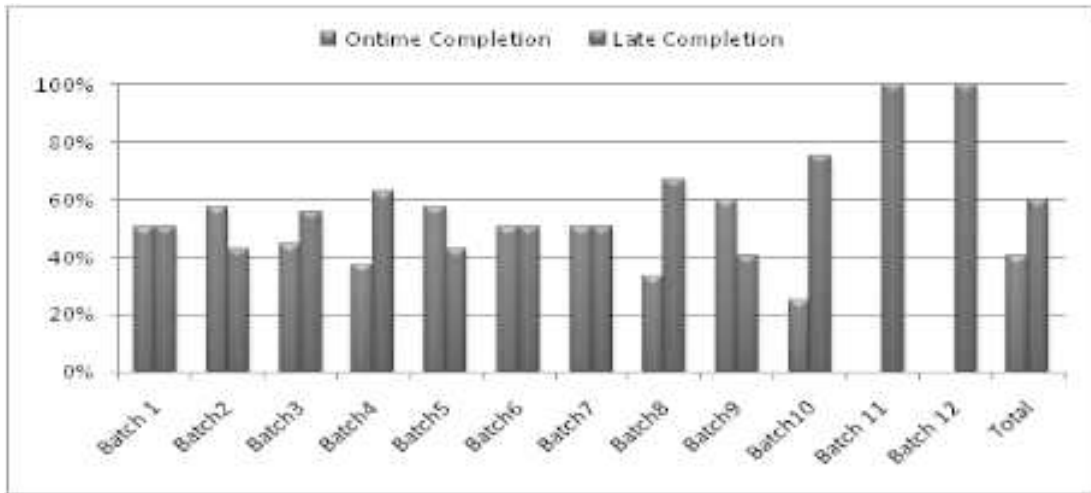
Hypothesis Testing

By doing the informal survey the actual frame of mind of the staff members, their suggestions and opinions regarding the Lean training, the Kaizen projects and about the working culture was known. Responses to each parameter helped in making the strategy.

H_{o1} : Kaizen projects are not completed on time

H_{a1} : Kaizen projects are completed on time

Figure 2: Project Duration



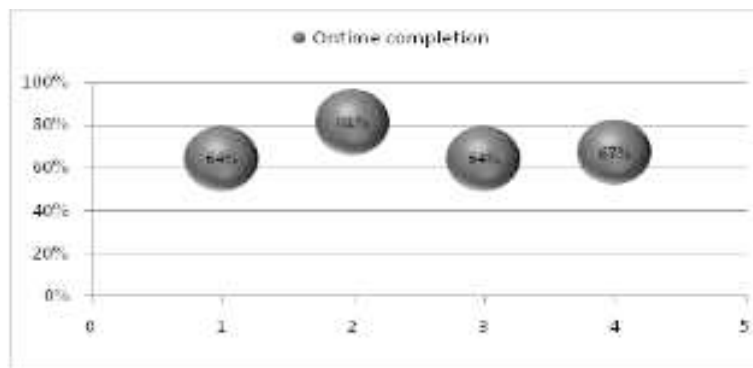
From the value of the mean score it was understood that the staff members, who were taking training in different batches, were not completing the project on time. By accumulating the responses it was seen that the staff members were not able to complete their projects on time i.e. within one month duration. So the null hypothesis that the Kaizen projects were not completed on time was proved correct and the alternative hypothesis was rejected.

H₀₂: Staff members below 30 years complete their Kaizen projects on time.

H_{a2}: Staff members under an age of 30 don't complete their Kaizen projects on time.

We assumed that staff members whose age is less than 30 years are more enthusiastic, more focused, and complete their project on time. But we found that staff members in the age group of 30 to 40 years are more focused, sincere, and completed their projects on time thus rejecting the null hypothesis.

Figure 3: Age wise Project Duration

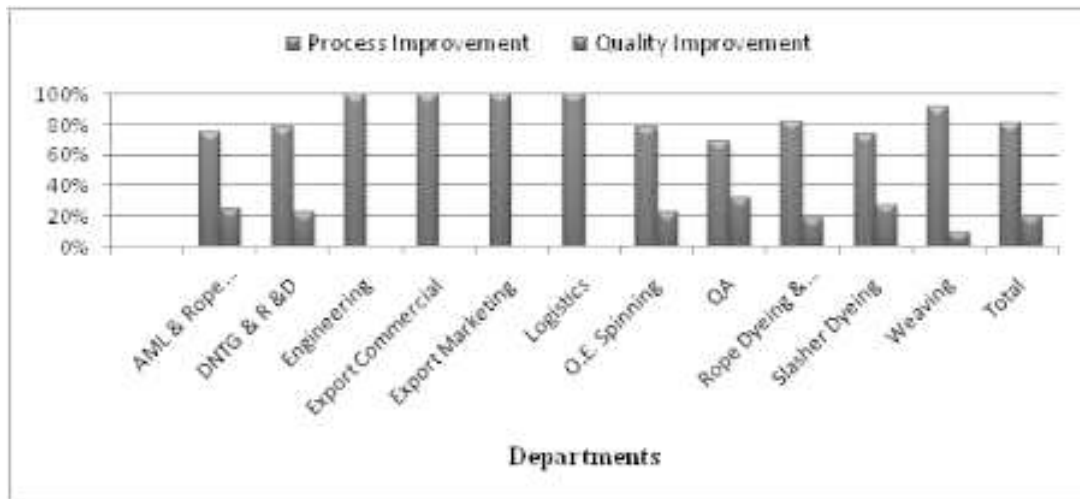


H_{o3} : Most Kaizen projects were based on process improvement.

H_{a3} : Mostly Kaizen projects were based not based on process improvement.

Projects undertaken by staff members were mostly based on process improvement. They did not emphasize much on quality improvement. Thus the alternative hypothesis i.e. Kaizen projects were not based on process improvement, was rejected.

Figure 4: Nature of Projects



The hypothesis was proved to be correct as 80 per cent projects were based on process improvement and only 20 per cent on quality improvement.

Recommendations

Analysing all responses, we found that staff members were highly motivated. However, after the training was over, their motivation level started going down. When the next belt training started, they again got charged up and were motivated. The suggested strategy to break this trend is as follows:

As soon as the training sessions get over, there should be a system where in staff members should identify their projects which they want to carry out and ask the CI team to assess whether the projects chosen by them are worth doing or not.

If the CI team feels that the project member is valuable, only then can the staff member carry out the project. Otherwise, another Kaizen project will have to be identified. Also employees should give a date on evaluate their projects. By doing so, there will not be any kind of loopholes.

Once the Kaizen projects are identified, the department heads should make sure that the projects are executed properly. If employees need any sort of help they should inform department heads.

Visits by the CI and the Evaluation team when Kaizen projects are carried out by staff members. This can be considered as a mid-term review before the final evaluation. Any ambiguity in the project can be resolved by the CI and Evaluation team. This will narrow the communication gap between employees and the evaluating team.

Once the projects are completed and evaluated, employees who have successfully completed their projects should be rewarded and appreciated.

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Case Study

Apang Manav Mandal

Aditi Agarwal*
Ankita Jain*
Mansi Mittal*
C. Gopalkrishnan**

Apang Manav Mandal is one of the prime institutions for physically challenged persons in India. This institution was established in 1958 in a small corner of Revabhai Dharmshala, near Ellisbridge in Ahmedabad, with the objective of providing facilities and programmes for all-round development of physically challenged people. It provides educational, medical, and vocational training to physically challenged persons from its own large premises. The untiring efforts and passion of the late Shri Kanubhai Mehta, late Shri Chandrakantbhai Vyas, Smt. Sunandaben Vohora, Shri Kalyanbhai Shah, Shri Pramodbhai Shah, and late Smt. Kalindiben Kaji, all philanthropists, social workers, and original promoters, have taken the Mandal to the present level of excellence.

Background

The promoters had observed that taking care of the physically challenged children whose very birth gives rise to innumerable doubts to parents as well as to the society was a daunting and challenging task. The physically challenged children suffer from various handicaps. This is compounded by the negative

* *Students of MBA (Family Business and Entrepreneurship), Institute of Management, Nirma University, Ahmedabad*
** *Director, Institute of Management, Nirma University, Ahmedabad*

attitude of the society. The world for these children is narrow and dark, and they are surrounded by discomfort and helplessness at every stage. Parents of such children are always preoccupied with concerns like regular medical treatment, education, and the future of their children, which includes in most cases learning a skill to earn a livelihood. The children are withdrawn and remote and do not open up even with their parents.

There are also people who are not born handicapped but become one later in life owing to accidents and have to live with the consequences all throughout their life. "What will I do now" becomes the reality for them. Their misfortune develops inferiority complex in them and leads to a fear of losing their standing in society.

It is said that warmth from people can do wonders in times of crises. But equally important is that society accepts the challenge of educating, training, and rehabilitating physically challenged children. It is with this objective that the Apang Manav Mandal was set up by the Shri Kanubhai Mehta who himself was a physically challenged person.

Mission

The mission of the Mandal is to:

- look after the education, training, economic, and physical well-being of children who are born or become handicapped
- provide vocational training and education so that they acquire knowledge and skills to earn livelihood and respect in society
- arouse social conscience on the problems of the physically challenged and influence governments to address the issues facing them
- encourage research into causes, cure, and prevention of diseases resulting in deformity and handicaps.

Activities

Since its inception in 1958, the Mandal's work has been recognized and donations from business organizations and individuals have been coming to support its various activities. The Mandal has grown over the years and has two separate campuses.

Some of the landmark achievements have been as follows:

- Gujarat government gave land for creating infrastructure in 1965

- residential training centre set up in 1970
- started providing primary school education in 1971
- set up the physiotherapy centre in 1972
- vocational training centre started in 1973
- hostels for children in 1975
- primary school education building constructed in 1978
- secondary school started in 1980
- separate hostel for handicapped girls constructed in 1985
- rehabilitation centre set up in 1996
- computer centre started in 1999
- spastic centre set up and speech therapy programme in 2000
- centre for training in soft toy making set up in 2001
- blood bank for physically challenged people established in 2002
- fashion and apparel designing training centre started in 2006
- spoken English training started in 2006
- graphics and art training started in 2007

Activities

The Mandal organized a special training programme in dress making for the inmates with support from the National Institute of Fashion Technology, Gandhinagar. Besides providing stipend to the trainees, the Mandal organizes sale of products made by the inmates.

Education

The Mandal provides primary and secondary education. Special care is taken to provide quality education. Prizes are awarded to talented students to perform better. The Mandal provides books, writing instruments, note books, and other educational materials.

A spoken English centre was started recently to improve the English speaking skills of the inmates.

Executive Committee

Each member of the executive committee looks after different aspects of the Mandal. It consists of people with various backgrounds like lawyers, accountants, and house-wives, mostly above 50 years of age. Most of them belong to very known and affluent families in Ahmedabad. Their aim is to look after the daily functioning of the Mandal, resolve problems that may arise, arrange for donations, and organize various developmental activities for the Mandal inmates.

Exposure of Inmates to the Outside World

The executive committee takes special efforts to expose inmates to the outside world and empowers them. This will help boost their confidence and to make the society accept physically challenged persons. A special dance workshop by Shiamak Davar, a noted popular artist, dancer, and choreographer, for girls was one such step. The Mandal also participates in exhibitions organized by Yuva, an NGO which has large membership from the young and underprivileged children, to exhibit fashion apparel and accessories made by the inmates.

What Some Former Inmates Say

One former inmate spoke with the case writers on her journey to social acceptance and freedom. She said that, along with education, the Mandal also provided several opportunities to inmates in areas such as computer operation, dress designing and garment making, sewing, embroidery, and preparation of leather fashion articles. She pursued a specially designed three month entrepreneurship course conducted by the International Centre for Entrepreneurship and Career Development, Ahmedabad. She said that the Manav Mandal had given her a platform to apply her knowledge. The six-month training she received from the National Institute of Fashion Technology had added great value to her skills. She is currently a supervisor at the Mandal training centre. She could achieve all this with the help of the Mandal in spite of the fact that she has seventy-five per cent physical deficiencies.

There are other heart-warming stories. For example, a large number of inmates have started small businesses. One works as principal in a school, while another one is an assistant manager in a bank after completing his MBA. A former inmate is a practising chartered accountant.

A New Road

It is also a matter of great pride for the Mandal that the training it has provided to the physically challenged has helped them get good job offers. The flip side is that the Mandal faces the problem of loss of trained personnel. Another problem is excess capacity in its hostels owing to steadily declining admission. Debilitating diseases such as polio are on the decline. Admissions are now 5 to 10.

A bigger challenge for the Mandal is to put its infrastructure to better and efficient use in order to benefit the larger society. The Mandal is also considering a proposed to change its name. *Apang* in Gujarati means handicapped which means some disability. The Mandal is for empowering the physically challenged through training. A new name would reflect the new mission of the Mandal.

Exhibit 1: Facilities

- Primary and secondary school
 - Hostels for boys and girls
 - Book bank
 - Computer centre
 - Scholarships for higher education
 - Spastic learning and day care centre
 - Speech therapy centre
 - Library and entertainment hall at both hostels
 - English conversation classes
-

Exhibit 2: Vocational Training

- The Mandal provides training in the following areas:
- Tailoring and embroidery
- Handicrafts
- Leather and rexene work
- Printing, D.T.P., book-binding
- Printing greeting cards containing paintings done by artistically accomplished resident students

- Soft toys
 - Computer course
 - Fashion and apparel design
-

Exhibit 3: Medical Facilities

- Medical camps
 - Operation, medicines and treatment
 - Indoor and outdoor
 - Out-door physiotherapy centre
 - Paediatric physiotherapy centre
 - Health centre
 - Equipment assistance
-

Exhibit 4 : Réhabilitation Centre

- Shri Aatmaram Bhogilal Sutaria Memorial Centre for Rehabilitation
 - Centre for Survey and Research on physically handicapped
-

Exhibit 5: Speech Therapy

Speech therapy for

- Articulation disorders
 - Stammering
 - Voice disorders
 - Language disorders due to brain damage
-

Website:

www.apangmanavmandal.org

Guidelines to Contributors

1. Original research papers, articles, case studies, executive experience sharing, and book reviews on business and areas connected with management are welcome.
2. Two copies of the typescript, typed in double space on A4 size paper with adequate margins on all sides, should be submitted. The first page should have the title of the paper and name(s) of author(s) with institutional affiliation. The second page should start with the title of the paper, followed by text. Name(s) of author(s) should not appear anywhere in the text.
3. A soft copy of the typescript in PC compatible MS Word document format should be emailed to the editor at: editor.nujbms@imnu.ac.in
4. The length of the paper including tables, diagrams, illustrations, etc, should not exceed 20 double-spaced pages. Short communications, book reviews, case studies / executive experience, sharing, etc. should not exceed five double-spaced pages.
5. The typescript should be accompanied by an abstract in about 100 words along with a declaration that the paper has not been published or sent for publication elsewhere.
6. All tables, charts, graphs, figures, etc. should be kept to the minimum. They should be given on separate sheets with sources indicated at the bottom.
7. All notes should be numbered consecutively and should appear as endnotes. These should be kept to the minimum. Notes in tables should be appropriately marked, and sources should appear at the bottom of the table.
8. References should be placed at the end of the text and should follow the author-date system. In the text, references should appear as (Bhagwati, 2000) or (Rao, 1974) etc. Multiple references to the same author for the same date should be displayed by suffixing a, b, c, etc. to the date (e.g. Rao 1974a, 1974b).
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 - Books: Robbins, Stephen P, and Coulter, Mary (2002). Management, New Delhi: Pearson Education.
 - Papers in journals: McGregor, D. (1957), "Uneary Look at Performance Appraisal," Harvard Business Review, 35 (1), 89-94.
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Editor

Nirma University Journal of Business and Management

S.G.Highway, Ahmedabad 382 481, Gujarat, India

Tel: +91-02717-241900-4, Fax: +91-02717-241916

E-mail: editor.nujbms@imnu.ac.in

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Institute of Management, Nirma University
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Tel: +91 2717 241900-4, Fax: +91 2717 241916
Email: editor.nujbms@imnu.ac.in
Website: www.imnu.ac.in/nujbms.asp