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Editorial

Need for Research on Alternative Delivery Channels of Banks

'Banks' are financial organizations, formed primarily to receive deposits from those who have surplus funds and to lend them to those who are in need of them. But over a period of time there is a phenomenal change in the number and nature of financial services provided by the banks. At present, banks are important players in the financial markets offering a wide variety of financial services.

Banks use different channels to offer their services to the customers. They are branch, mail, automated teller machine (ATM), internet banking (online banking), and mobile banking (telephone banking). The first two channels, Branch and Mail, are traditional, mostly manual, and indispensable even in the era of computerisation. These are relatively slow, costly and cumbersome channels involving much paper work. Automated Teller Machines (ATMs), Internet Banking, and Telephone/Mobile Banking are automated, computer and information technology-based alternative delivery channels. These channels are relatively fast, cost effective and convenient and are very much liked by technology savvy customers of the bank. However, these channels cannot render all the services and cannot completely replace the first two traditional channels.

Impact of the Computers and Information Technology on money and banking is considerable. After computerization and use of information technology in banks people are able to do most of their financial business through computers from home. They could pay utility bills, buy stocks and transfer money sitting at home. Computers have facilitated the creation of virtual wallets. Money is transferred across the continents within no time. Computer-driven technologies have brought drastic changes in the financial industry. To keep pace, financial firms are pouring billions of rupees into new technologies.

In the changing context, banks with a high degree of cost effectiveness, increased efficiency and customer centric approach only could survive. Use of modern risk management practices, exploring ways to increase non–fund based income, analysis and control over expenses and greater use of information technology have become imperative to protect their bottom-lines in the changed environment. These are possible only through computerization, use of information technology, introduction of alternate technology-based delivery channels etc.

It is becoming increasingly clear that "Technology" alone can make bankers sail through the competition. Computerization of branches, introduction of cash management products, remote access logins for corporate, mobile banking, internet banking and ATM banking are a few ways by which bankers use technology today to beat the competition. Services and products like 'Anywhere Banking', 'Tele-Banking', 'Internet banking', 'Web Banking', 'e-banking', 'e-commerce', 'e-business' etc. have become the buzzwords of the day and the banks are trying to cope with the competition by offering innovative and attractively packaged technology-based services to their customers. It is an undisputed fact that Computerisation and Information Technology (IT) innovations in the last few years have changed the landscape of banks. Today, Computerisation and IT seem to be the prime movers of all banking transactions. Almost all the major banks all over the world are offering online services to their customers.

Currently, there are two types of customers – one who is a multi-channel user and the other who still relies on the branch as the main channel. The primary challenge for banks is to provide consistent service to the customers irrespective of the kind of channel they use. Keeping in view the developments in banking (the massive investments on computerization) and the influence of computer technology on banking (introduction of alternate technology-based delivery channels), there is a need to study the impact of computers on banking through the perceptions of the customers and employees. The article entitled "Impact of Mobile Banking on Banker, Customer and the General Public: Case Study of Stanbic Bank" is a humble attempt made by the authors in this regard. Many such micro and macro level studies should follow.

Chief Editor

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Impact of Mobile Banking on Banker, Customer and the General Public : Case Studey of Stanbic Banka

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Abstract : *It has been established that increasing the role of technology in a service organisation can serve to reduce costs and improve service. For this reason the importance of understanding influences on customer adoption behaviour for mobile banking is increasingly important. This study examines customer preferences when interacting with their bank, with a particular focus on mobile banking usage and awareness. The questionnaire was issued to 60 participants who are retail customers. Through the analysis, the key indictors whether or not customers will use mobile banking were identified. The study reveals that people don't trust if their transactions will be safe if they use mobile banking. Security reflected to be the main worry in adopting mobile banking. A perceived usefulness and perceived ease of use both affect significantly usage intention in mobile banking.*

Keywords: *mobile banking; customer adoption; security; safety of transactions*

Introduction

Financial Institutions face greater challenges today than ever before as customers' demand shapes the way to attract and keep customers. Consumers expect to be able to conduct business as they wish relating to place, time and type. They also desire to do everything they can do inside their local branch quickly, easily, securely and remotely.

In the evolution of the online channel, the next step towards optimising the customer's experience is leveraging the mobile banking channel. Banks that enhance this technology have the potential to grow market share and enhance profitability through increased customer satisfaction and loyalty, particularly among younger demographic groups. (Koivumaki, et al, 2006). With cell phones and hand held devices becoming an important part of everyday life and business, mobile banking will grow in popularity. Consumers demonstrate a high degree of loyalty to institutions that offer them choice, security and convenience. Offering customer to use their mobile device to check account balances, monitor credit card spending and availability, transfer funds, receive and pay bills can further strengthen the relationship.

Banking services using mobile phones have been available in developing as well as developed countries for several years. The main driver for the rapid development is the new mobile banking services that are less expensive and have a geographical footprints defined by the reach of mobile networks in contrast to services offered by traditional retail bank branches, which are out of reach for many people in rural areas (Feng, and Hoegler, 2006). Scholarly research on the adoption and socioeconomic impacts of mobile banking/ mobile payments systems in the developing world is scarce (Maurer, 2008). Many of new mobile users live in informal and/ or cash economies, without access to financial services that others take for granted. Indeed, across the developing world, there are probably more people with mobile handsets than with bank accounts (Porteous, 2006). The delivery of a mobile banking service to a consumer involves the participation of four primary players, a bank,

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mobile network operator, a mobile banking technology vendor and a consumer. However the consumer mobile market has matured and the various stakeholders (banks and mobile network operators) seem to have taken an interest and realised the potential value of the high penetration in mobile phones amongst their respective customer bases (Krugel, 2007).

Mobile banking is the term we use to describe financial services delivered via mobile networks using mobile phones. Such services include depositing, withdrawing, sending and saving money as well as making payments. (Karjaluoto, 2002).

Background Information

The term mobile banking, mobile payments, mobile transfers and mobile finance refer collectively to a set of applications that enable people to use their mobile telephones to monitor their bank accounts, store value in an account linked to their handsets, transfer funds, of such systems in social, economic and cultural contexts (Fischer, 1992). (Turban, et al, 2002) explain that the use of wireless and mobile networks and services is growing quickly. Their widespread adoption creates an opportunity not only to transact applications that had been possible only from computers but also to conduct new applications online. The economic advantages of mobile banking include mobility which is appealing because wireless offers customers information from any location to any location. Mobility implies that the internet access travel with the customer. Therefore mobility breaks the geographic and time barriers. A mobile terminal in the form of a smart phone or a communication can fulfil the need both for real-time information and for communication anywhere, independent of the user's location. Convenience characterises a mobile terminal which store data and are always at hand and increasingly easy to use. Today most of the banks in Botswana have adopted the technology of mobile banking in order to retain their customers.

Problem Statement

Due to IT revolution across the globe, huge number with different types of mobile phones are in operation. In this scenario, it is a big challenge for banks to offer banking solutions to adopt a particular system of mobile device. Though consumers have already adopted using mobile banking, there are barriers for adoption due to non- availability of sufficient infrastructure and security. These barriers have blocked the optimum usage of mobile banking. In addition, legal issues such as pin pointing the responsibility between the mobile provider and banker, if something happens to mobile transaction.

Objectives

The main objective of this study is to analyse the efficiency and effectiveness of mobile banking on customers, banker and the general public and to pinpoint the following areas:

1. To determine the security and challenges of using mobile banking
2. To determine the reliability and scalability
3. To determine the application distribution
4. To determine personalisation

Hypothesis

According to (Mathieson, 1991), the perceived ease of use is the consumer's perception that banking on mobile services will involve a minimum effort. The perceived usefulness has positive effects on customer attitudes and adaptation. The importance of security and privacy for the acceptance of online banking has been a note in many banking studies (Hernandes, and Mazzon, 2007). Robof and Charles (1998) found that people have a weak understanding of online banking security risks although they are aware of the risks. Furthermore, they noted that although consumer's confidence in their bank was strong, yet their confidence in the technology was weak (Howcroft el al, 2002). Hence it is hypothesised that security and privacy have a positive effect on customer's attitudes and adaptation.

Scope of the Study

As mobile banking has come in handy in many parts of the world with little or no infrastructure development especially in remote and rural areas, the task is to pioneer the research and come up with the findings that will set the direction for development. The aim of the research is to find novel ways of improving the effectiveness and efficiency of mobile banking, are the banks introducing this type of products to their customers, do customers have knowledge about mobile banking and if they have adopted it as the mode of electronic banking. The other aspect is security, security of financial transactions being executed from some remote location and transmission of financial information over the air. These are the most complicated challenges that need to be addressed. The following areas need to be addressed to offer a secure infrastructure for financial transactions over wireless network:

1. Encryption of the data being transmitted over the air
2. User ID / password authentication of the bank's customer
3. Encryption of the data that will be stored in the device.

Another aspect is scalability and reliability which the banks should scale up the mobile banking infrastructure to handle exponential growth of the customer base. With mobile banking, the customer may be sitting in any part of the world and hence bank need to ensure that the systems are up and running.

Literature Review

According to (Haeckel and Nolan, 1999) flexibility and responsiveness now rule the market place. Rather than follow the make – and – sell strategy of industrial age giants, today's successful companies focus on sensing and responding to rapidly changing customer needs. Information technology has driven much of this dramatic shift before vastly reducing the constraints imposed by time and space in acquiring, interpreting and acting on information. Combining the internet and telephone services is also a powerful means of avoiding travel. It enables us to work with good quality audio with files and pictures transferred in delayed time via the internet. This in turn can be enhanced with multiple telephone lines to give near real time facilities (Goarai 1999). Pikkarainen et al (2004) applied technology accepted model (TAM) in Finland and they found perceived usefulness as a determinant of actual behaviour which encouraged the user of the twenty first century banking to use more innovative and user friendly self service technologies that give them greater autonomy in performing banking transactions, in obtaining information on financial advices and in purchasing other financial products. However, Gerrard and Cunningham (2003) noted that the perceived usefulness depends on the banking services offered such as checking balances, applying for a loan, paying utility bills, transferring money abroad and obtaining information on mutual funds.

The practitioner community may frame the discussion as being about transformational mobile payments (Gamos, 2008). Studies of the impact of mobile banking systems in the developing world are also scarce because the systems are so new. The best impact assessment to date is (Porteous, 2007), in which impact is operationalised using an access frontier which divides those who have the monthly income from a formal source to open the most basic of conventional bank accounts, those below the frontier who use mobile banking systems do so as an alternative or addition to other choices. Those from above the frontier have done so by necessity. Porteus (2007) concludes that the transformational impact of mobile banking services in South Africa have been small so far because virtually all of the users are below the frontier.

Practitioners and policy makers are already concerned about validating mobile transactions under conditions of sharing behaviour (infoDEV, 2006); in which two people use the same handset. On the other hand, other researchers suggest that mobile banking systems may alter patterns of money sharing within families by giving women greater autonomy and control over household savings (von Reijswoud, 2007). Mobile banking has all the markets of innovation waiting to be diffused or to be adopted by a subset of mobile users in the developing world (Rogers, 1983). Brown et al, (2003) used a statistical model combining elements of the theories of diffusion of innovation.

Methodology

The subject of the current research encompassed multidisciplinary and dynamic in nature, hence the research methodology adopted in the study is multiple research strategies, using of both qualitative and quantitative data. The data for the quantitative study were derived from a survey. Many of the measures of the variables such as those relating to control systems and environmental context came from the secondary sources such as published sources. New items were developed using theoretical research and industry studies pertaining to disruptive technology and mobile banking. Their clarity was confirmed through interviews with managers of traditional branches as well as the employees of Stanbic bank. The perception of technology represented the perception by the bank management of the impact of technological change on the banking services. A defining issue for understanding the perception of the nature of technological change related to a shift in the product performance trajectory. That shift could be measured as a degree of change in performance over a specified time period, as reflected in the disruptive technology trajectory charts (Bower and Christensen, 1995; Christensen and Raynor, 2003).

For all the environmental controls like standard of performance, behavioural controls and knowledge of cause effect relations a Likert scale ranging from 1-7 which is strongly disagree to strongly agree was used. The measures for behavioural and output controls were derived from Kirsh (1996). The construct of knowledge of cause – effect relations characterises the understanding of the link between the actions and the results achieved (Snell (1992); Thompson (1967). Similarly, a standard of desirable performance was linked to the ability to measure and assess outputs.

Sample

Since the main focus of the research was to establish and analyse the impact of mobile banking on customer, banker and the general public, it was appropriate to select the respondents from those who are using the mobile banking system this means Stanbic bank employees, the clients and the general public at large who uses the mobile devices. The survey also targeted managers of traditional branches as well as those of the mobile banking businesses. The questionnaire could be completed through e-mail or by paper copy. The sampling method that was used in this study is probability sampling which represents the population.

Data collection

The primary data were obtained through a survey of structured questionnaire that collected information from the customers and the employees of Stanbic bank. The structured questionnaire consists of various statements which are perceived usefulness, perceived ease of use, security and privacy, customer attitude and finally customer adaptation of mobile banking which was delivered at various branches of the bank where customers collected them when doing their daily banking and some were delivered door- to- door to various business premises in Gaborone. Pikkaraine et al (2004) developed this five item scale to measure perceived usefulness.

Secondly the information was collected though personal interviews with selected employees and the management to get their views on whether they are using the mobile banking system. In addition to primary data, secondary data were collected in order to incorporate the views and findings of other researchers on the subject matter, and these include published journals.

Data analysis

Data collected for this study were summarised and analysed using statistical tools and more using SPSS. The reliability coefficients, means and standard deviations of all the constructs in the current study were displayed. To assess direct and indirect relationships among the studied variables, the researcher has followed confirmatory factor analysis and structural equation modelling (Anderson and Gerbing, 1988).

Analysis of Data

The research has drawn its data from the general public and customers of Stanbic Bank of which it's a case bank which has extensive branch network in Gaborone (where the study took place), Molepolole, Palapye, Francistown and Maun. For the past three years the bank has begun to use Mobile Banking. The survey participants were asked about their personal attributes, for example sex, age, employment so as to identify characteristics of potential customers. The participants were asked about demographic, to what extend do they agree or disagree with the statements about mobile banking providers, about themselves, their own future in adoption of mobile banking services and finally their expectation from mobile banking. The analysis of data on the impact of mobile banking on customer, the banker and the general public is summarised in tables below.

Table 1 : Demographic Features of the Respondents

S.No.	Demographics	Description	N= 60	%
1	Gender	Male Female	2040	33.366.7
2	Age Group	Under 19 20- 25 26- 30 31- 35 36- 40 41 and above	- 16 24 12 03 05	- 26.7 40.0 20.0 05.0 08.3
3	No of yrs experience using mobile banking	0 – 1 2- 4 5 and above	10 06 44	16.7 10.2 73.3
4	Full time work experience (No. of yrs)	0-1 2-4 5 and above	11 21 28	18.3 35.0 46.7
5	Place of stay	Urban Rural	51 09	85.0 15.0
6	Employment	Employed Self employed Not employed Student	48 - 02 10	80.0 - 03.3 16.7
7	Awareness	Yes No	56 04	93.3 06.7
8	Use of mobile banking	Yes No	26 34	43.3 56.7

Altogether 60 valid samples were collected 20 of them from male and 40 from female participants making a ratio of 33.3% males is to 66.7% female participants. The largest group of survey participants, judged by age group was that of 26-30 years old (40%). In number of years of experience using mobile banking, 44 (73.3 %) of participants were of group 5years and above which is the largest. Also the same group of 5 years and above had the largest participants by 28 (46.7%) in full time work experience. 51 (85 %) of the survey participants live in urban area which is where the survey took place due to limited time, 9 (15%) of the participants stay in rural areas but they work in Gaborone. The largest group of the participants judged by their employment is 48 (80 %) of those who are employed followed by those who don't use mobile banking 34 (56%). The total percentage of those who are aware of mobile banking is 56 (93.3%). The analysis reveals that the population under study are matured, well informed and responsible persons who have low efficiently experience in mobile banking. The answers can be considered as more appropriate and valid.

Table 2 : Mobile Banking and the Providers

Variable	SA	%	A	%	N	%	D	%	SD	%	NI	%
1	15	25.0	18	30.0	12	20.0	03	05.0	06	10	6	10
2	16	26.7	19	31.7	12	20.0	05	08.3	05	8.3	3	5
3	15	25.0	09	15.0	14	23.3	10	16.7	10	16.7	2	3.3
4	16	26.7	14	23.3	23	38.3	03	05.0	02	3.3	2	3.3
5	14	23.3	18	30.0	19	31.7	05	08.3	02	3.3	2	3.3
6	10	16.7	18	30.0	23	38.3	05	08.3	02	3.3	2	3.3
7	09	15.0	25	41.7	16	26.7	04	06.7	03	5	3	5
8	06	10.0	21	35.0	21	35.0	08	13.3	01	1.67	3	5
9	05	08.3	22	36.7	24	40.0	06	10.0	01	1.67	2	3.3
Note: SA= Strongly Agree; A= Agree; N= Neutral; D= Disagree; SD= Strongly Disagree; NI= No Information												

Variables: (1) MB meeting needs; (2) Familiarity with mobile services; (3) MB to check account balances; (4) MB provides honesty and trustworthy; (5) Transaction safety; (6) MB providers keep the best interests; (7) Overall satisfied MB capability of wireless transactions; (8) MB providers known to be reliable; (9) MB's reputation of dependability.

Table 2 shows that 18 (30%) of the participants agreed that mobile banking do meet their needs followed by 15 (25%) of those who strongly agree, 12 (20%) are neutral and only 6 (10%) did not provide information as they are not using the services. The majority of those who agreed that they are familiar with their mobile service were of 19 (31.7%). The positive side of the fact is that as many as 15 (25%) of the participants who uses mobile banking were familiar with checking their accounts balances through mobile services. 24 (38.3%) of the participants were neutral about whether mobile banking providers are trustworthy and honest or not and only 2 (3.3%) strongly disagreed because they are not sure if mobile providers cannot access their transactions. The same applies to those that their transactions are likely to be safe with mobile providers, 19 (31.7%) of them are neutral which is the largest percentage and 14 (23.3%) and 18 (30%) strongly agree and agree respectively. Only a few numbers of 2 (3.3%) did not provide the information and the same number strongly disagree with the statement. Most of the participants 23 (38.3%) were also neutral when they were asked about whether they trust mobile banking and if they keep their best interest in mind as customers and for those who uses and trust mobile banking providers agreed and strongly agreed with the percentage of 18 (30%) and 10 (16.7%). Some of the participants who did not give information are those who are unemployed and students. Most of the users of mobile banking who participated in the survey were satisfied with mobile banking capability of wireless transactions by 25 (41.7%) and the least being those who did not provide information, those who disagree and those who strongly disagree.

Table 3 : Participants Statements Analysis

Variable	**SA**	**%**	**A**	**%**	**N**	**%**	**D**	**%**	**SD**	**%**	**NI**	**%**
1	19	31.7	25	41.7	5	8.3	6	10	4	6.7	1	1.67
2	17	28.3	26	43.3	6	10	7	11.7	3	5	1	1.7
3	19	31.7	20	33.3	8	13.3	8	13.3	4	6.7	1	1.7
4	19	31.7	22	36.7	8	13.3	6	10	4	6.7	-	

Note:Variables (1) Using mobile device to check account balances;
(2) Using MB to receive recent financial information;
(3) Using MB to transfer funds;
(4) Using MB to manage bank account.

Table 3 is about the response from the participants, their views towards the purpose of using mobile banking. Out of 60 respondents 25 (41.7%) agreed, 19 (31.7%) strongly agreed, 5 (8.3%) neutral, 6 (10%) disagree, 4 (6.7%) strongly disagree and 1 (1.67%) not responded regarding the tested variable of "using mobile devices to check bank account balances". This shows nearly 73% have been using mobile baking and nearly 17% did not use. 6 were either neutral or no response. It can be deducted that "MB is used for checking bank balance". The second variable which is "using MB to receive recent financial information", 26 (43.3%) agreed, 17 (28.3%) strongly agreed, 7 (11.7%) disagreed, 6 (10%) neutral, 3 (5%) strongly disagree and 1 (1.7%) did not give information. This shows that 71% have been using mobile banking to receive recent financial information and 19% have not been using the product. It can be concluded that "MB is used to receive financial information". Regarding the variable of "using MB to transfer funds 20 (33.3%) agreed, 19 (31.7%) strongly agreed, 8 (13.3%) were both neutral and disagreed, 4 (6.7%) strongly disagreed and 1 (1.7%) NI. This shows nearly 64% of the respondents use mobile banking to transfer funds and 21% are not using it. This proves that MB is used to transfer funds. 22 (36.7%) of the respondents agreed, 19 (31.7%) strongly agreed, 8 (13.3%) neutral, 6 (10%) disagree and 4 (6.7%) no information responded on the tested variable "using MB to manage bank accounts". This proves that 67% of the respondents use MB to manage their bank accounts while 10% do not use it at all to manage their accounts.

Table 4 : Statements' Analysis about Future Adoption of Mobile Banking

Variables	SA	%	A	%	N	%	D	%	SD	%	NI	%
1	42	70	5	8.3	4	6.7	1	1.7	6	10	2	3.3
2	30	50	12	20	9	15	2	3.3	5	8.3	-	-
3	33	55	12	20	5	8.3	2	3.3	5	8.3	-	-
4	26	43.3	14	23.3	7	11.7	-	-	8	13.3	5	8.3

Note:Variables: (1) Continue to use MB in near future
(2) Intention of using MB high
(3) To increase usage of MB in near future
(4) Will think of using MB in near future

Table 4 shows the summary of the responses and the views of the respondents about adopting the mobile banking in near future. The analysis shows that out of 60 respondents 42 (70%) strongly agree, 6 (10%) strongly disagree, 5 (8.3%) agree. 4 (6.7%) neutral, 2 (3.3%) no information and 1 (1.7%) disagree regarding the tested variable of "continue to use MB in near future". This shows that nearly 78% of the respondents who were using mobile banking will continue using it in near future and nearly 14% will not use it. It can be concluded that mobile banking will be adopted and continue to be used. 30 (50%) strongly agreed, 12 (20%) agreed, 5 (8.3%) neutral and strongly disagree respectively, 2 (3.3%) disagree regarding the variable "intention of using MB high". This means that 70% of the respondents have high intentions of using mobile banking and 11% have no intentions. The analysis also proves that in the variable three which is "increase in using MB in near future", 33 (55%) strongly agree, 12 (20%) agree, 5 (8.3%) neutral and strongly disagree and 2 (3.3%) disagree. It can be deducted that 75% of the respondents will increase using mobile banking in future while nearly 11% will not. In conclusion there is a positive feedback in increase in using mobile banking. Regarding the variable "will think of using MB in the near future" 26 (43.3%) strongly agree, 14 (23.3%) agree, 8 (13.3%) strongly disagree, 7 (11.7%) neutral and only 5 (8.3%) did not respond. This shows that nearly 66% will think of using mobile banking and nearly 21% will not. It can be deduced that the respondents will think about using MB in near future. The overall conclusion is that most of the respondents will adopt using mobile banking as the larger numbers strongly agree which is a positive result.

Table 5 : Expectations from Mobile Banking

Variable	SA	%	A	%	N	%	D	%	SD	%	NI	%
1	23	38.3	23	38.3	7	11.7	4	6.7	1	1.67	2	3.3
2	23	38.3	23	38.3	7	11.7	4	6.7	1	1.67	2	3.3
3	24	40	18	30	6	10	3	5	2	3.3	7	11.7
4	15	25	22	36.7	7	11.7	4	6.7	5	8.3	7	11.7
5	14	23.3	20	33.3	13	21.7	4	6.7	2	3.3	7	11.7
6	15	25	19	31.7	14	23.3	2	3.3	1	1.67	9	15
7	20	33.3	20	33.3	10	16.7	1	1.67	2	3.3	7	11.7
8	18	30	19	31.7	10	6.7	3	5	3	5	7	11.7
9	7	11.7	13	21.7	21	35	5	8.3	5	8.3	9	15

Note: Variables: (1) MB would be useful in conducting banking transactions
(2) Using MB would enable to conduct banking transactions more quickly
(3) MB would give greater control in bank accounts
(4) MB would improve the quality of decision making
(5) MB is clear and understandable
(6) Finding MB easy to use
(7) Convenience using MB
(8) MB useful and valuable
(9) MB secure from fraud.

Table 5 summarises the expectations of the respondents from mobile banking. The analysis summarises that out of 60 respondents who participated in data collection 23 (38.3%) strongly agree and agree respectively, 7 (11.7%) neutral, 4 (6.7%) disagree, 2 (3.3%) no information and 1 (1.7%) strongly disagree regarding the variable "MB would be useful in conducting banking transactions". 78% of the respondents find it useful in conducting banking transactions while 10% does not. In conclusion mobile banking is expected to be useful in conducting banking transactions and this proves that they will put it into use rather than using the traditional banking of using branches which has long queues and to save their time. The second variable "using MB would enable to conduct banking transactions more quickly" has the same information as the first variable in terms of the views of the respondents, 23 (38.3%) strongly agree and agree respectively, 7 (11.7%) neutral, 4 (6.7%) disagree, 2 (3.3%) no information and 1 (1.7%) strongly disagree. The variable "MB would give greater control in bank accounts", 24 (40%) of the respondents strongly agree, 18 (30%) agree, 7 (11.7%) no response, 6 (10%) neutral, 3 (5%) disagree and 2 (3.3%) strongly disagree. It shows that 70% believe that mobile banking would give greater control in bank accounts. This shows that it will give the respondents access to their accounts any time that they want to transact in their accounts. Regarding the variable "MB would improve the quality of decision making" 20 (36.7%) agree, 15 (25%) strongly agree, 7 (11.7%) neutral and 4 (6.7%) disagree. Only 7 (11.7%) did not respond and 5 (8.3%) strongly disagree. It can be deducted that 62% believes that mobile banking can improve the quality of their decision making. 20 (33.3%) agree, 14 (23.3%) strongly agree, 13 (21.7%) neutral, 7 (11.7%) no response, 4 (6.7%) disagree and 2 (3.3%) strongly disagree as shown by the tested variable "MB is clear and understandable. The 56% of the respondents believe that it is clear and understandable to use mobile banking. If mobile providers use complicated technology the customers will not have interest as it would be difficult for them to understand its operation. The variable "finding MB easy to use" summarises the respondent's views and responses as 19 (31.7%) agree, 15 (25%) strongly agree, 14 (23.3%) neutral, 9 (15%) no information, 2 (3.3%) disagree and 1 (1.7%) strongly disagree. The last three variables also show that most respondents agree and strongly agree with the statements. The overall conclusion in table 5 shows that majority of the respondents responded positively in all the statements of which large numbers were recorded in the scales of strongly agree and agree respectively.

Findings

It is traced out that most of the people are aware and have a full knowledge of mobile banking but they don't use the service as the bank is not actively introducing the product to them as proved by table 1 which shows a percentage of 93.3%. Majority of the respondents don't trust the service and they are not sure about the security as proven by table 2 variable 5 and 4 which shows that 19 and 23 respondents were neutral which the majority are. The analysis shows that people are not sure whether mobile banking providers are reliable, honest and trustworthy and they are not certain that their transactions are safe with mobile banking providers. The importance of security and privacy has the positive effect on the customer perception hence perceived ease of use. The respondents showed that they have a great interest in using and adopting mobile banking and to check their balances, bank information and transferring funds transaction in future which is summarised by table 4. Even though the majority are not using mobile banking transactions, they are clear and understand the service. They also find it easy to use and they saw its convenience. They are not satisfied with the training that they receive. The bank would introduce the products and don't organise the workshops. The bank is not active in the product compared to other commercial banks and it may end up losing its customers as the market competition is very high.

Conclusions and Recommendations

Conclusions

Whether technology innovations increase or decrease customer satisfaction very much depends on the customer's need and expectation. It is well recognised that mobile phones have potential of conducting financial transactions thus leading the financial growth with lot of convenience and much reduced cost. The benefits of mobile banking should reach to the common man at the remotest locations in the country. There is need to generate awareness about mobile banking so that more people use and adopt it for their benefit. Penetration of mobile banking should reach middle towns and rural areas.

In security issues, mobile banking raises the questions as to whether there will be adequate security for users without compromising the perceived ease of use and speed. However, technology manufacturers are developing improved security for applications with authentication and encryption technologies.

There is also an issue related to protection of the infrastructure supporting mobile banking from the attacks, such as protection of customer's data and financial transactions and ensuring the integrity of the system.

Majority of the respondents have shown great interest in using and adopting mobile banking, now it is the responsibility of the bank to go out and sell the product to its customers. This system will reduce queues in the banks and convenient to the customers. Even though they are not using mobile banking they are clear and understand the service but the problem is the bank which is not active in mobile banking. It has not considered it as a valuable product.

Recommendations

For any service to be successful, the customer acceptance is a necessary pre-condition. Customers look for easy to use, secured and cost efficient mobile services. The bank needs to work towards building trust among customers.

Major steps can be taken by banks to proactively promote the new payment schemes – they have to seek easy and simplified mobile banking experiences.

Bank can extend its services through aggregators or can enter into direct agreements with mobile companies to form a joint venture for micro credits and other services. Fair revenue sharing mechanisms and sound business model for all the stakeholders shall make mobile banking attractive for everyone.

Security issues as mentioned earlier need to be looked at as most of the participants were concerned at them. It is also necessary that the infrastructure supporting mobile banking is protected from the attacks.

Presently mobile banking in Botswana is done through the banks only. For financial inclusion of all or many, who may not have bank accounts – it may be necessary that access to basic banking services be given to the unbanked and rural population of the country by means of an easy to access and affordability delivery channel like a mobile phone.

A major challenge in bringing people to a higher level of literacy is to open up more opportunities for them to upgrade and educate themselves. This could be in the form of co – funding between bank and individuals as a form of motivation to improve knowledge and skills in using new banking technology. Computer courses could be organised for the public. This is especially for the older people who are generally less educated and the rural population as a whole.

Cultural diversity, different countries perceive and express culture differently through the values they hold about life and the world around them. There must be construction of alternatives like providing different language selections for the mobile or electronic services as it's not everyone who knows and understand English more especially people who stay in rural places.

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A Study on Performance of Initial Public Offerings (IPOs) in India During 2007-2011

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Abstract: *This paper analyses the short-run and long-run performance of initial public offerings (IPOs) in the Indian capital market. The sample comprises of 146 IPOs listed on the National Stock Exchange between 2007 and 2008. The analysis reveals that the IPOs have under performed both in short-run as well as long-run, registering negative returns of 8.41 and 38.44 respectively. It is also found that there is a significant difference between issue price and market performance of IPOs during the study period. 54 per cent of the sample companies have under performed from the first day of listing and around 80 per cent have recorded negative returns in long-run. It analyses the stock performance by considering the issue price, market capitalization, etc., However, the study doesn't specify the reasons for underperformance in short-term and long-term and also it has not considered other factors like, stock market performance, sales, profits, etc. on stock returns.*

Key Words: *IPOs, Returns, under pricing, Underperformance*

1. Introduction

There are numerous studies that provide empirical evidence of the underpricing of Initial Public offerings (IPO) in short-run and underperformance in the long-run. **Finn** and **Higham (1998)** in their study on "The Performance of Unseasoned New Equity Issues: Common Stocks Exchange Listing in Australia" considered 93 Australian issues during the period 1966-1978. The average initial market-adjusted return was 29.2 per cent. However, the one-year market-adjusted return from the closing price on day one results in significant mean return of -6.52 per cent. The same results were found by **Levies** in his study on "The Long Run Performance of Initial Public Offerings: The UK Experience" the average fist day returns of 14.3 per cent for 712 IPOs between 1980 and 1988 in the UK and Long-run underperformance of -30.59 by the third year after the offer.

Ritter (1991) in his study investigated the 1526 US IPOs floated during1975–84. The IPOs are underperforming over a three year period by 29.13%. In India **Seshadev Sahoo** and **Prabina Rajib (2010)**, in their paper on "After Market Pricing Performance of Initial Public Offerings (IPOs): Indian IPO Market 2002-2006", examines the after-market price performance for initial public offerings issued during the period 2002-2006. They identified that, initial day underpriced and long-run underperformance for a broad set of 92 Indian IPOs and the average IPOs are underpriced by 46.55 per cent at the list price. They also estimate the long-run performance for the sample IPOs up to a period of 36 months from

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the date of listing and find that the IPOs significantly underperform the market benchmark up to a period of 12 months from the date of listing and vanish thereafter. Table-1 shows the results of the studies of different authors on the short-run and long-run performance of IPOs.

Table 1 : Summary of the Results of the Previous Studies on the Short-Run and Long-Run Performance of IPOs

Panel A. Developed Markets

Country	Study	Period	Sample Size	Performance (%)	
				Short-Run	Long-Run
Australia	Finn and Higham	1966- 1978	93	29.2	-6.5
Canada	Jog and Riding	1971-1983	100	11.0	-
France	Jenkinson and Mayer	1986-1987	11	25.1	-
France	Husson and Jacquillat	1983-1986	131	4.0	-
Germany	Uhlir	1977-1987	97	21.5	-7.4
Japan	Dawson and Hiraki	1979-1984	106	51.9	-
Netherlands	Wessels	1982-1987	46	5.1	-
Switzerland	Kunz and Aggarwal	1983-1989	42	35.8	-6.1
U.K.	Levis	1980-1988	712	14.3	-30.6
U.K.	Jenkinson and Mayer	1979-1987	20	22.2	-
U.S.A.	Reilly	1972-1975	486	10.9	-11.6
U.S.A.	Ritter	1975-1984	1,526	14.3	-29.1
U.S.A.	Aggarwal and Rivoli	1977-1987	1,598	10.7	-13.7
Panel A. Newly Industrialized and Developing Countries					
Country	**Study**	**Period**	**Sample Size**	**Performance (%)**	
				Short-Run	**Long-Run**
Hong Kong	Dawson	1978-1983	21	13.8	-9.3
Korea	Kim and Lee	1984-1986	41	37.0	-
Korea	Krinsky, Kim, and Lee	1985-1990	275	79.0	-
Malaysia	Dawson	1978-1983	21	166.7	+18.2
Singapore	Koh and Walter	1973-1987	66	27.2	-
Singapore	Dawson	1978-1983	39	39.4	-2.7

Source: Reena Aggarwal, Ricardo Leal, Leonardo Hernandez (1993), "The Aftermarket Performance of Initial Public Offerings in Latin America" Financial Management, Vol. 22, No. 1 (spring, 1993), pp. 42-53.

2. IPOs Market - India

A large scale demand from Indian corporate sector for equity finance in the light of the fast changing global environment set the momentum in the primary market. The primary market has witnessed hectic activity in early 90's, though became sluggish later. Table 2 provides the data regarding number of issues and amount mobilized through public issues during 2005 – 06 to 2011-12.

Table 2 : Public Issues in India

Years	Number of Issues	Amount Mobilized (Rs. In Crores)
2005-06	102	23,676
2006-07	85	24,993
2007-08	90	52,219
2008-09	22	2,034
2009-10	44	46,941
2010-11	57	46,182
2011-12	37	24,937

Source: Prime data, 2011-12

The amount of money mobilized by the Indian corporate increased from Rs.23676 crores in 2005-06 to Rs.46182 crores in the year 2010-11 at the same time number of IPOs are varying from 102 to 37. The number of IPOs has reached the peak during the year 2007-08, they raised a total amount of Rs.52219 crores. In the year 2008-09, due to financial recession number of IPOs and total capital mobilized decreased substantially.

2.2. Returns in Indian Market

The performance of the Nifty 50 and other indices is presented in table 3 for the period of one year ending March 2011. Over a 1-year horizon, all the indices showed returns in the range of 4 per cent to 12 per cent, with the largest gain recorded by the CNX Nifty Deftyindex. The 6-month as well as 3-month returns were negative for all the indices as at the end of March 2011.

Table 3 : Performance of Select NSE Indices

End of March 2011- Returns in Per Cent				
	1-Month	**3-Month**	**6-Month**	**1-Year**
S&P CNX Nifty	9.38	-4.9	-3.25	11.14
S&P CNX 500	8.93	-6.37	-6.06	7.26
S&P CNX Defty	10.98	-4.45	-2.45	12.08
CNX Nifty Junior	7.95	-7.79	-10.38	4.69
CNX Midcap	9.09	-9.22	-12.27	4.35
End of Sep. 2011 - In Per Cent				
	1-Month	**3-Month**	**6-Month**	**1-Year**
S&P CNX Nifty	-1.15	-12.15	-15.15	-19.54
S&P CNX 500	-1.49	-12.02	-14.26	-20.73
S&P CNX Defty	-6.96	-20.05	-22.74	-26.77
CNX Nifty Junior	-1.67	-13.01	-13.54	-23.54
CNX Midcap	-2.75	-11.61	-12.73	-23.91

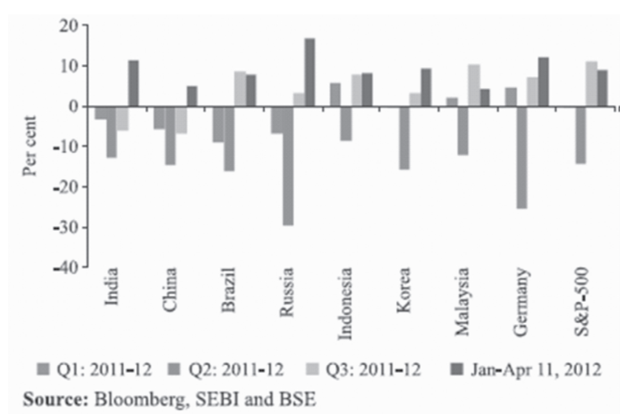
Source: NSE, 2011.

As at the end of September 2011, the 1-year returns indicate that all the indices were in deep red. The S&P CNX Defty index generated a negative return of 27 per cent in September 2011 compared to the figures in September 2010, on accountof the depreciation of the Indian rupee.

2.1. Returns in Stock Market in Selected Countries

Graph 1 shows the returns of different stock markets worldwide. In the year 2011-12, most of the stock exchanges in the world have recorded negative returns. Underperformance of Russia and Germany are more than 32-30 per cent. Indian stock underperformance is in between 10-15 per cent and in first quarter of 2012 it recorded more than 10 per cent positive returns.

Graph 1 : Returns in Stock Market in Selected Countries



3. Objectives of the Study

In specific terms, the objectives of the study are as follows. The study is intended to:

1. To evaluate the performance of IPOs in terms of generation of initial returns and subsequent returns against different time horizons and possible under pricing in IPO offer prices
2. To identify the sector-wise performance of IPOs returns in long-run and short–run period
3. To analyze the IPOs returns through market capitalization-wise
4. To know the IPOs performance through issue price-wise

3.1. Hypotheses

The hypotheses tested include:

1. **$H_{1:}$** There is no significant difference between issue price and listed price of IPOs
2. **H2:** The Indian IPOs are under pricing short-run and under performed in the long-run
3. **H3**: There is no significant difference between returns among the different sectors IPOs returns in short-run and long-run
4. **H4**: The greater the ex-ante uncertainty about the value of an issue, the greater is the expected under pricing of an IPO

4. Data and Methodology

The sample covers the IPOs which came to market during 2007 and 2008, which is the period before the global financial crises. More than 200 companies raised capital through public issue and based on the availability of data 146 companies were chosen for the study. The research methodology in detail was presented in the following section.

4.1. Data and Sample Construction

The sample consists of 146 IPOs launched in India during the year 2007 & 2008 (find Annexure for detailed sample for the study). The units of the sample are selected on the basis of companies available in the Indian stock market for three years to calculate the returns. The study finds the initial day, one month, one year, two years and three years returns. The stratification and selection of the sample is given in table 4. Out of 146 companies, major sample belongs to Consumer goods, Infrastructure, Manufacturing, Chemical & Pharmacy, and Finance & Banking sectors.

Table 4 : Sample Distribution of the Study

Sl No	Industry	No. of IPOs
1	Agri. Business	4
2	BPO & IT	9
3	Chemical & Pharmacy	15
4	Consumer goods	28
5	Finance & Banking	12
6	Health Care	2
7	Hotel	1
8	Infrastructure	31
9	Iron & Steel	1
10	Manufacturing	18
11	Mining	1
12	oil & Gas	1
13	Real Estates	5
14	Telecom	3
15	Textile & Synthetics	8
16	TVs & Entertainment	7
—	**Total**	**146**

4.2. Data Analysis

Against the principal objective of evaluating the Indian IPO market, the data have been analyzedand the initial returns from IPOs have been worked out considering the difference between the price and the listing date market price. The study has annualized these returns giving due importance to the listing delays. Both short run and long run returns have been calculated to find out the patterns involved and to establish the extent of 'underpricing' if any, involved in it.

4.3. Statistical Tools Employed

In order to analyze and evaluate the data, different statistical tools and techniques are used. The following techniques are used for data analysis purpose;

1. Mean
2. f-statistic
3. Standard deviation
4. Kurtosis
5. Analysis of variance (ANOVA)

4.4. Period of the Study

The IPOs issued during 2007 and 2008 are taken for the purpose of the present study. For evaluating the performance of IPOs, three year time duration was considered essential from the date of listing, thus making the total period of study to range from 2006 to 2011. The data on fundamental variables like Market Capitalization, 1st day returns, 1st month return, 1st year returns, 2nd year returns and 3^{ed} year, and industry wise, market capitalization wise and issue price wise returns of the sample. The data mainly collected from money control.com for analysis purpose.

4.5. Sources of Data

The principal source of data for the study is the Daily Stock Quotations of "The Stock Exchange, Mumbai, popularly known as Bombay Stock Exchange and BSE - Sensex figures. They were accessed from databases of Centre for Monitoring Indian Economy (CMIE), Moneycontrol.com and the study used PAST software to analyse the data.

4.6. Limitations

The study has not taken all the IPOs that were issued during 2007 and 2008. It limits itself only to the companies which are available for trading for three years in the stock market. The study doesn't consider other factors like risk, market returns, sales of the companies etc., the study consider only returns to know the Short – Run and Long-Run Performance of Initial Public Offerings in India.

4.7. Presentation of the Paper

The paper was divided in to five Sections. **Section I** presents the introduction and different study's findingsof different authors conducted research in different countries on performance of IPOs in Short-run and Long-run. **Section II** covers introduction to Indian stock market and Returns from Indian stock market. Objectivesand hypothesis of the study are presented in **Section III** and Methodology of the paper presented in **Section IV**. **Section V** presents the data analysis of the paper and **last section** gives the conclusion.

5. Data Analysis

5.1. The Current Study

The main assumption for the study is IPOs are underpriced in short run and underperformed in long run. More than 200 IPOs were come to market during the year 2007 and 2008. The study covers only 146 companies which are available for calculating returns in short run and long run to know the performance. **Table 5** shows the descriptive statistics of the distributions on IPO firm in terms of offer price and market capitalization. The total mean price of the sample is Rs. 196.01 and with standard deviation of 181.49. The minimum issue price is Rs.10 and Maximum issue price is Rs. 825. Mean market capitalization is Rs. 2424.29 crore and minimum capitalization is Rs. 2.15 crore and maximum capitalization is 60565.5 crore with a standard deviation of Rs. 8317.661 crores.

Table 5 : Distribution of Samples for Study

	Mean	Standard Deviation	Skewness	Minimum	Maximum	Median
Offer Price (Rs.)	196.0137	181.49	1.5119	10	825	132.5
Market Capitalization in Crores.	2424.29	8317.661	4.96	2.15	60565.5	133.36

5.2. Performance of IPOs in Indian Stock Market

Table 6 shows the performance of IPOs in short run and long run in Indian Stock market. It was observed that, the mean values of the issues are decreased from 179.53 in initial day to 120.67 in third year. Also the variances of the issues decreased from 38912 to 27753. It also found that the standard deviation of returns significantly decreased from listing day to the third year of listing. The Average prices of the companies decreased from Rs. 179.53 to Rs. 123.67 after 36 months of listing.

Table 6 : Performance of IPOs in Indian Market

Time	Mean	Median	Kurtosis	Skewness	Standard Deviation	Variance
Day 1	179.53	101.46	3.575775	1.977574	197.2619	38912
1st Month	171.85	92.775	3.8651	2.064933	202.6876	41082
1st year	120.32	120.3192	13.186	3.203676	170.8042	29174
2nd years	99.687	99.6887	14.09881	3.202795	140.4782	20586
3rd year	120.67	58.385	8.64	2.711508	166.5908	27753

5.3. H_1: There is no significant difference between Issue price and listed price of IPOs in Indian stock market:

Table 7 shows the initial day performance of the sample in the stock market. The means of the issues decreased from Rs. 196.01 to Rs. 179.26. The investors lost almost Rs. 17 in initial day of listing. The study also finds that the IPOs have underperformed in initial day of listing. The average initial day losses for investors are 7.41 per cent.

Table 7

Time	Minimum	Maximum	Sum	Mean	Stand. Dev.	Median	Skewness	Kurtosis	Listing Day Returns
Issue	10	825	28618	196.01	181.49	132.5	1.51	1.93	-8.41 %
Listing day	0.92	908.2	26211	179.52	197.26	101.46	1.977	3.57	
F - Statistic = 1.1813*									

Total tabulated value of F at 5% significance level is 1.644. Since the computed value is less than the tabulated value, hence one can conclude that there is a significance difference between issue price of the companies and listed price at the stock exchange. The listed prices are less than issue prices. This means that the Indian IPOs are under performing from initial day of listing.

5.4. H2: The Indian IPOs are underpricing short-run and underperforming in long-run:

Table 8 reports average returns for the entire sample of 146 IPOs. The first day losses have increased from 8.41 per cent in initial day to 38.44 per cent in three years of listing after date of listing. The calculated value of ‘f’ is less than the table value. Hence we reject the hypothesis and we can conclude that, the Indian IPOs are underperforming in short-run as well as in the long-run. The underperformance increased from 8.41 per cent in initial day to 38.44 per cent after 36 months of listing.

Table 8 : After Market Performance of Indian IPOs, 2006-07

Time	Returns	f-statistics
Day 1	-8.41	1.1813
1 Month	-12.33	1.2472
1 year	-38.62	1.1291
2nd years	-49.14	1.6001
3ed year	-38.44	1.1869

It is evident from Table 9 that there is a significant difference between table value of F and calculated value. Table value of F at 5 per cent significance level is 1.84. Since the computed value is greater than the table value, we conclude that there is a significance difference in issue price of IPOs and their performance in short term and long term.

Table 9 : ANOVA Table

	Sum of Sqrs.	df.	Mean Square	F	p(same)
Between groups:	1.12647	5	225295	7.098	1.616
Within groups	2.76149	870	31741.3		
Total	2.87414	875			
omega^2	0.03363				

5.5. H3: There is no significant difference between returns among the different industries short run and Long run

Table 10 reveals that, industry-wise returns performance of IPOs during the study period. The study considers 16 types of industries for analysis purpose and highlighted the returns in long run and short run. From the analysis of data, there is a significance difference in returns among the sectors. Out of 16 sectors, only 4 sectors are providing positive initial day returns and remaining companies are under performing. It also found that, only three industries are providing (Agri. Business, BPO & IT and Oil &Gas) long run returns and remaining are under performing. Hence we can conclude that the returns are different from industry to industry and time to time of the listing. Table value of F at 5 per cent significance level is 1.84. Since the computed value is greater than the table value. Hence, we conclude that there is a significance differences among Sector-wise return. A few sectors are giving good returns in short-run and long-run and remaining are underperforming in both the periods.

Table 11 shows the number of companies under performing in short run and long run. The number of underperforming companies has

Table 10 : Sector-Wise Returns of Indian Initial Public Offerings

Sl No	Industry	No. of Companies	1st Day	1st Month	1st Year	2nd Year	3rd Year
1	Agri. Business	4	25.28063	17.33	32.994	-4.459	2.272251
2	BPO & IT	9	18.72595	17.32	-10.42	-19.27	32.05248
3	Chemical & Pharmacy	15	-21.2595	-37.65	-49.54	-31.97	-44.4003
4	Consumer Goods	28	-25.3167	-30.31	-44	-70.75	-52.8048
5	Finance & Banking	12	-15.5109	-9.32	-49.7	-57.06	-39.247
6	Health Care	2	-7.19178	-13.12	-22.4	-37.5	20.34247
7	Hotel	1	40	26.625	4	118.5	-18.13
8	Infrastructure	31	-0.20878	-7.285	-57.35	-47.27	-34.814
9	Iron & Steel	1	-3.42857	-28.5	-53.86	-72.44	-69.8571
10	Manufacturing	18	3.00624	-5.735	-43.32	-54.37	-45.916
11	Mining	1	-35.9259	-84.97	-89.3	-91.15	-98.8519
12	Oil & Gas	1	-14.375	-13.34	-4.5	4.5	90.90625
13	Real Estates	5	-2.22992	-10.39	4.9417	-17.83	-44.706
14	Telecom	3	-27.4242	-30.78	-48.43	-47.28	-59.4831
15	Textile & Synthetics	8	-0.36031	13.91	-0.161	-58.42	-66.6218
16	TVs & Entertainment	7	-36.7011	-21.55	-22.64	-79.43	-77.7953
Total	146	-8.41	-12.33	-38.62	-49.14	-38.44	

ANOVAs F= 2.145

increased from 79 in initial day of listing to 117 in 3 years of listing. It also found that Manufacturing, Consumer Goods, Chemical & Pharmacy, Textile & Synthetics, TVs & Entertainment industries are underperforming and it is found that more than 54 per cent of the listed companies are underperforming in initial day of listing in the stock market. The underperformed companies are increased from 54 per cent to 80.13 at 36 months of listing and also more than 84 per cent of the companies are underperforming after 24 months of listing.

Table 11 : Number of Industries Under Performed in Long-Run and Short-Run

Sl. No.	Industry	No. of Companies	1st Day	1st Month	1st Year	2nd Year	3ed Year
1	Agri. Business	4	1	2	1	3	3
2	BPO & IT	9	4	4	5	8	5
3	Chemical & Pharmacy	15	9	10	14	12	13
4	Consumer Goods	28	21	22	23	27	25
5	Finance & Banking	12	6	7	7	9	7
6	Health Care	2	0	1	2	2	1
7	Hotel	1	0	0	0	1	0
8	Infrastructure	31	12	15	26	20	23
9	Iron & Steel	1	1	1	1	1	1
10	manufacturing	18	7	13	15	17	16
11	Mining	1	1	1	1	1	1
12	Oil & Gas	1	1	1	1	1	0
13	Real Estates	5	3	3	5	5	5
14	Telecom	3	1	1	1	2	2
15	Textile & Synthetics	8	7	6	5	8	8
16	TVs & Entertainment	7	5	6	6	7	7
Total no. of companies under performing		**146**	**79**	**93**	**113**	**124**	**117**
% of Companies underperforming		**54.10**	**63.698**	**77.39**	**84.93**	**80.13**	

1.1. H4: The greater the Ex-ante uncertainty about the value of an issue, the greater is the expected underpricing of an IPO.

Analysis of the data reveals that there is a significance difference between market capitalization and market performance of the equity shares. Out of 146 companies in case of 68 companies market capitalization is less than 100 crores and in case of 34 companies market capitalization is in between 101-500 cores. Out of the total sample, more than 100 companies' market capitalization is less than 500 crores. The study also found that, less market capitalization companies (less than 100 crores) are trading above the listed price and yielding 4.40 per cent returns in initial day of listing but these companies under performed after 36 months of listing by -62 per cent. The study also found that, the companies' underperformance is more than 40 per cent in case of the companies with market capitalization up to Rs. 1000 crores (Table 12). The companies having market capitalization between Rs. 1001-5000 crores are underperforming only by 10.97 per cent. Table value of F at 5 per cent significance level is 1.84. Since the computed value is greater than the table value. Hence, we conclude that there is a strong association between market capitalization and returns.

Table 12 : IPO Performance - Market Capitalization-Wise

Sl No	Market Capitalization (Rs. Cores)	No. Companies	1st Day	1st Month	1st Year	2nd Year	3ed Year
1	0-100	68	4.40	-5.59	-28.59	-52.772	-62.105
2	101-500	34	-12.69	-15.50	-46.82	-61.08	-48.89
3	501-1000	12	-8.95	-14.68	-48.92	-59.53	-43.43
4	1001-5000	22	-14.84	-16.253	36.02	-33.80	-10.97
5	5001 and above	9	-9.97	-3.03	-33.50	-33.05	-22.48
Total number of companies		**146**	**79**	**93**	**113**	**124**	**117**

One way ANOVAs F =3.762*

It is evident from table 13 there is significant difference between issue price and rate of returns in one month of listing. It is identified that, the companies are producing high returns in initial month issue price of which is less than Rs. 100 and the companies which are issued above Rs.100 are underperforming in the long run as well as in the short run. The table value of F at 5 per cent level of significance is 1.847. Since the computed value is less than table value there is a significance difference between issue price and returns distribution in the initial month.

Table 13 : Issue Price, the Returns Distribution in the Market within a Month

	<= 20	21 - 50	51-100	101-200	201-300	>301	All
	Issue Prince and Sell Initial Day Returns						
Mean	50.33	24.80	14.26	-3.80	-17.32	-7.06	4.56
SD	124.52	45.95	37.58	67.62	63.69	9.70	63.46
Median	19	26.63	2.17	-7.025	-21.75	-7.69	-3.75
Minimum	-93.43	-38.65	-39.45	-97.15	-93.61	-88.85	-97.15
Maximum	286.25	421.63	93.56	241.75	178.59	141.81	286.25
No.	9	17	30	44	17	32	146

F - Statistic = 1.1813*

6. Summary and Conclusions

From the analysis of data, there is a significant difference between the issue price of the stock and market performance of the stock both in the long-run and in the short-run. In India IPOs are underperforming in the short-run as well as in the long-run during the study period. More than 50 per cent of the companies are under performing in initial day of listing and more than 80 per cent of the companies are underperforming after 36 months of listing in the stock market. Information Technology & BPO, and Agricultural Related companies are providing more returns both in the short-run and in the long-run when compared to other industries. Consumer Goods, Iron & Steel, Mining, Telecom, Textiles & Synthetic and TV & Entertainment industries are underperforming by more than 50 per cent.

The study considers the market capitalization-wise IPOs' performance of the companies in the short-term and in the long–term and the companies which underpriced in the short-term are issued less than Rs. 100 crores. These companies are giving 4 per cent returns in initial day and under performed by 62 per cent after 3 years of listing.The study also finds that, low valued shares are underpriced in the short-term and high valued shares are underperforming in the short-term as well as in the long-term.

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Annexure
List of sample companies

Sl. No	Company	Sector	Issue Date	Market Capitalization	Price	Issue
1	Brigade Enterp	Infrastructure	31-Dec-07	576.97	390
2	eClerx Services	BPO & IT	31-Dec-07	1822.18	315
3	Transformers	Infrastructure	28-Dec-07	201.41	465
4	Jyothy Labs	Consumer goods	19-Dec-07	2031.93	690
5	Kaushalya Infra	Infrastructure	14-Dec-07	22.13	60
6	Kolte-Patil	Infrastructure	13-Dec-07	313.33	145
7	Renaissance Jew	Consumer goods	12-Dec-07	152.73	150
8	Edelweiss Fin	Finance & Banking	12-Dec-07	2299.94	825
9	Adani Ports	Infrastructure	27-Nov-07	22708.47	440
10	Empee Distiller	Consumer goods	26-Nov-07	134.01	400
11	Allied Computer	Consumer goods	23-Nov-07	37.84	12
12	Rathi Bars	manufacturing	23-Nov-07	8.98	35
13	Barak VallyCem	Infrastructure	23-Nov-07	27.15	42
14	VarunIndustrie	manufacturing	22-Nov-07	74.82	60
15	ReligareEnterp	Finance & Banking	21-Nov-07	4929.16	185
16	Circuit Systems	manufacturing	2-Nov-07	13.66	35
17	ILandFSEngg	Finance & Banking	2-Nov-07	449.91	370
18	Saamya Biotech	Pharmacy	19-Oct-07	6.92	10
19	Supreme Infra	Infrastructure	18-Oct-07	502.26	108
20	Dhanus Tech	manufacturing	17-Oct-07	142.75	295
21	Consolidated Co	Infrastructure	15-Oct-07	339.25	510
22	Koutons Retail	Textile & Synthetics	12-Oct-07	28.11	415
23	Power Grid Corp	Infrastructure	5-Oct-07	51938.67	52
24	Kaveri Seed Co	agri business	4-Oct-07	1078.36	170
25	Magnum Ventures	manufacturing	20-Sep-07	13.91	30
26	Indowind Energy	Infrastructure	14-Sep-07	35.27	65
27	MotilalOswal F	Finance & Banking	11-Sep-07	1398.98	825
28	Puravankara Pro	Real Estates	30-Aug-07	1347.77	400
29	KPR Mill	Textile & Synthetics	28-Aug-07	400.57	225
30	Take Solutions	Finance & Banking	27-Aug-07	409.43	730
31	Asian Granito I	Consumer goods	23-Aug-07	94.85	97
32	SEL Manufacturi	manufacturing	23-Aug-07	287.94	90
33	Central Bank	Finance & Banking	21-Aug-07	5774.83	102
34	RefexRefrigera	manufacturing	20-Aug-07	5.66	65
35	Zylog Systems	BPO & IT	17-Aug-07	1048.13	350
36	IVRCL Assets	Infrastructure	16-Aug-07	729.08	550
37	OmnitechInfoso	BPO & IT	14-Aug-07	186.76	105
38	Omaxe	Real Estates	9-Aug-07	2629.54	310
39	AlpaLaboratori	Pharmacy	6-Aug-07	16.62	68
40	Simplex Project	Infrastructure	3-Aug-07	69.93	185

41	EveronnEdu	BPO & IT	1-Aug-07	415.96	140
42	Allied Digital	BPO & IT	25-Jul-07	124.7	190
43	HDIL	Real Estates	24-Jul-07	3553.15	500
44	Suryachakra	Infrastructure	23-Jul-07	21.7	20
45	Spice Comm	telephone	23-Jul-07	52.2	46
46	Celestial Labs	Pharmacy	17-Jul-07	29.57	60
47	Ankit Metal	Infrastructure	10-Jul-07	123.51	36
48	Roman Tarmat	Infrastructure	9-Jul-07	18.96	175
49	DLF	Infrastructure	5-Jul-07	34309.12	525
50	V2 Retail	Consumer goods	4-Jul-07	33.62	270
51	MeghmaniOrgani	Pharmacy	28-Jun-07	212.86	19
52	Nelcast	manufacturing		213.59	219
53	Decolight Ceram	Consumer goods	19-Jun-07	23.68	54
54	Glory Polyfilms	Consumer goods	18-Jun-07	16.06	48
55	Time Techno	Chemical & Pharmacy	13-Jun-07	908.76	315
56	Nitin Fire Prot	Consumer goods	5-Jun-07	1242.81	190
57	Asahi Songwon	Chemical & Pharmacy	4-Jun-07	110.33	90
58	MIC Electronics	Consumer goods	30-May-07	468	150
59	Insecticides In	agri business	30-May-07	58.73	115
60	Binani Cement	Infrastructure	28-May-07	1838.06	75
61	Hilton Metal	Iron & Steel	24-May-07	15.82	70
62	BhagwatiBanque	Hotel	17-May-07	198.85	40
63	Fortis Health	hospitals	9-May-07	4049.77	108
64	Advanta	agri business	19-Apr-07	814.28	640
65	ICRA	Finance & Banking	13-Apr-07	1226.6	330
66	Orbit Corporati	Consumer goods	12-Apr-07	592.6	110
67	Sancia Global	Infrastructure	12-Apr-07	18.01	86
68	Astral Poly Tec	Chemical & Pharmacy	20-Mar-07	536.5	115
69	Lawreshwar Poly	Consumer goods	19-Mar-07	9.58	16
70	Jagjanani Text	Textile & Synthetics	19-Mar-07	2.15	25
71	AMD Industries	manufacturing	19-Mar-07	28.75	75
72	Abhishek Corp	Textile & Synthetics	16-Mar-07	12.74	100
73	Page Industries	Consumer goods	16-Mar-07	3212.32	360
74	Raj Television	TVs & Entertainment	16-Mar-07	257.04	257
75	Mudra Lifestyle	Consumer goods	9-Mar-07	82.78	90
76	Idea Cellular	telephone	9-Mar-07	28099.72	75
77	Euro Ceramics	Consumer goods	9-Mar-07	23.52	165
78	VTX Industries	Textile & Synthetics	9-Mar-07	16.37	100
79	Indus Fila	Textile & Synthetics	8-Mar-07	28.01	170
80	Oriental Trimex	Consumer goods	7-Mar-07	8.07	48
81	Evinix	Consumer goods	7-Mar-07	5	120
82	MindTree	Infrastructure	7-Mar-07	2667.68	425
83	Broadcast	TVs & Entertainment	7-Mar-07	20.12	120

84	Indian Bank	Finance & Banking	1-Mar-07	8122.65	91
85	SMS Pharma	Pharmacy	28-Feb-07	158.35	380
86	C & C Construct	Infrastructure	26-Feb-07	155.09	291
87	Transwarranty	Finance & Banking	26-Feb-07	21.5	52
88	Power Finance	Finance & Banking	23-Feb-07	24339.54	85
89	Firstsource Sol	BPO & IT	22-Feb-07	385.68	64
90	House of Pearl	Consumer goods	15-Feb-07	186.31	550
91	Redington	BPO & IT	15-Feb-07	2956.52	113
92	Cinemax Prop	Real Estates		47.32	155
93	TechnocraftInd	manufacturing	12-Feb-07	123.74	105
94	PochirajuInd	agri business	9-Feb-07	26.75	30
95	TV18 Broadcast	TVs & Entertainment	7-Feb-07	818.31	250
96	Cambridge Tech	BPO & IT	7-Feb-07	13.47	38
97	Hubtown	Real Estates		1268.88	540
98	AutolineInd	manufacturing	31-Jan-07	195.83	225
99	Lumax Auto Tech	manufacturing	16-Jan-07	196.25	75
100	Ashtavinayak	TVs & Entertainment	10-Jan-07	275.44	160
101	Cairn India	oil & Gas	9-Jan-07	60565.33.	160
102	Tanla Solutions	Consumer goods	5-Jan-07	65.56	265
103	Pyramid Saimira	TVs & Entertainment	5-Jan-07	15.59	100
104	Alkali Metals	Chemical & Pharmacy	6-Nov-08	29.22	103
105	Chemcel Biotech	Chemical & Pharmacy	13-Oct-08	6.69	16
106	20 Microns	Chemical & Pharmacy	6-Sep-08	132.71	55
107	Austral Coke	Infrastructure	4-Sep-08	35.31	196
108	Resurgere Mines	Mining	1-Sep-08	41.76	270
109	Nu Tek India	TVs & Entertainment	27-Aug-08	11.59	192
110	Coral Hub	Consumer goods	30-Jul-08	7.74	150
111	Birla Cotsyn	Textile & Synthetics	30-Jul-08	66.72	14
112	Somi Conveyor	manufacturing	24-Jul-08	12.18	35
113	KSK Energy Vent	Infrastructure	14-Jul-08	2211.68	240
114	Lotus Eye Care	hospitals	11-Jul-08	16.85	38
115	First Winner	Textile & Synthetics	8-Jul-08	54	125
116	Archidply Indus	Consumer goods	4-Jul-08	20.06	74
117	Avon Corporatio	Consumer goods	3-Jul-08	13.43	10
118	Sezal Glass	Consumer goods	1-Jul-08	28.35	115
119	BafnaPharma	Pharmacy	27-Jun-08	82.62	40
120	Niraj Cement	Infrastructure	19-Jun-08	14.47	190
121	Anus Labs	Chemical & Pharmacy	4-Jun-08	28.85	210
122	GokulRefoils	Consumer goods	4-Jun-08	1063.07	195
123	Aishwarya Tele	TVs & Entertainment	7-May-08	18.09	35
124	Kiri Industries	Chemical & Pharmacy	22-Apr-08	57.95	150
125	Titagarh Wagons	manufacturing	21-Apr-08	656.03	540
126	Sita Shree Food	Consumer goods	7-Apr-08	14.31	30

127	Gammon Infra	Infrastructure	3-Apr-08	922.61	167
128	V-Guard Ind	Consumer goods	13-Mar-08	915.57	82
129	Rural Elect Cor	Infrastructure	12-Mar-08	18969	105
130	GSS Infotech	BPO & IT	7-Mar-08	57.32	400
131	Tulsi Extrusion	Consumer goods	25-Feb-08	25.43	85
132	IRB Infra	Infrastructure	25-Feb-08	4380.56	185
133	Bang Overseas	Consumer goods	20-Feb-08	25.97	207
134	Shriram EPC	Finance & Banking	20-Feb-08	275.39	300
135	OnMobile Global	telephone	19-Feb-08	426.35	440
136	KNR Construct	Infrastructure	18-Feb-08	349.01	170
137	Cords Cable Ind	manufacturing	13-Feb-08	28.86	135
138	J Kumar Infra	Infrastructure	12-Feb-08	442.6	110
139	Reliance Power	Infrastructure	11-Feb-08	28934.88	450
140	Future Capital	Finance & Banking	1-Feb-08	991.74	765
141	Porwal Auto	manufacturing	14-Jan-08	12.58	75
142	Precision Pipes	manufacturing	11-Jan-08	94.64	150
143	Aries Agro	Chemical & Pharmacy	11-Jan-08	78.29	130
144	Manaksia	manufacturing	8-Jan-08	311.61	160
145	BGR Energy	Infrastructure	3-Jan-08	2115.6	480
146	Burnpur Cement	Infrastructure	3-Jan-08	34.8	12

HR Efficiency of SMEs through Cloud Computing

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Abstract : *Environmental issues have dawned on the human race as a serious issue that needs immediate and appropriate action not only at individual levels but at organizational level as well. The HR department is involved in a gamut of activities which requires a lot of consumables such as paper, plastic, ink toner etc. These lead to many economical and ecological concerns. HR also being central to an organisation can take initiative to adopt green practices thereby reducing the usage of consumables. Although there are both environmental and economical concerns, it is very hard to use less of those because they are integral part of its basic operations.*

Could cloud computing be an answer to this?

Carbon Disclosure Project published in 2011 show that by 2020, large U.S. companies that use cloud computing can achieve annual energy savings of $12.3 billion and annual carbon reductions equivalent to 200 million barrels of oil - enough to power 5.7 million cars for one year. The survey conducted by CSC found that 64 percent of organizations cut their energy use and reduced waste as a result of cloud services. Cloud computing benefits to business is obvious but its specific utility for HR professionals is large and need to be used extensively. In large corporations, HR teams can be spread out over different areas of a building, or even different parts of the country or in different time zones. A good cloud computing system provides services like applications tracking, generate reports, calculate payroll, performance appraisals and maintain database of employees. Taking the HR department 'on the cloud' facilitates lesser investments and flexibility coupled with cost effectiveness and environmental responsibility. Enabling organization to achieve better energy efficiency and meet sustainability objectives.

This paper probes into the possibilities of using cloud computing as an economical and ecological option to implementing HR practices.

Key Words: *Cloud computing, Cloud native environment, cost effectiveness, Resource pooling.*

Introduction

Today's business world which is enabled by technology is run on a platform enabled by Internet and web services. Business transactions have become simpler, smoother, steadier and cost effective through the intelligent application of web services. The widespread application of web based IT services have shrunk geographical boundaries by space and time. Never the less environmental concerns have also dawned on the human race as a serious issue that needs immediate and appropriate action not only at individual levels but at organizational level as well. A business function be it HR, Finance, or Marketing is enabled by technology today. 75-90 per cent SMEs (Small and Medium Enterprises) constitute the major segment of Indian industry. HR has to incorporate inexpensive cloud computing systems in the SMEs and concentrate on 'core' strengths. Strengths like strategy, motivation, and employee interaction which can be enabled with less investment.

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Cloud Computing

Cloud computing and its utility has been discussed and criticized but Forrester estimates that worldwide spending on public cloud computing services will grow from $25.5 billion in 2011 to $160 billion in 2020, i.e., 22 per cent annual growth rate. Businesses are increasingly implementing cloud-based applications and services without investing and managing on-premises infrastructure. 'Pay as you go' feature of cloud computing is its hall mark has created wide scale acceptance for this application.

The Cloud

Cloud computing is anything that involves delivering hosted services over the Internet. The cloud is like an electricity grid which is the central source and which supplies power for commercial and domestic use. Similarly there are data centers providing pure computer power and data storage capacity over the internet. Like the electricity grid it contains separate power stations owned by specific companies providing different add-on services. In cloud computing companies like Amazon, Google, IBM, etc provide computing power. These services are broadly divided into three categories namely Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS), and Infrastructure-as-a-Service (IaaS). Companies which provide computing power only for their own applications like Salesforce are called Software-as-a-Service (SaaS). While Google (Google App Engine) provide common platform for developing cloud applications known as Platform-as-a-Service (PaaS), Whereas Amazon provide raw computing power categorized as Infrastructure-as-a-Service (IaaS). So the cloud as a whole is actually comprised of several key components - pure computing power, development tools and of course services.

These models can be deployed through different clouds:

1. **Public cloud.** A third-party provider uses the Internet to offer services such as applications and flexible storage to the general public.
2. **Private cloud.** This has the same benefits as a public cloud, but access is restricted to personnel in a particular organization. In what is sometimes called a community cloud, a group of organizations with common interests can share a private cloud.
3. **Hybrid cloud.** This is a combination of a public cloud and a private cloud. You might outsource low-sensitivity information to the public cloud while retaining business-critical services on a private cloud.

Together they create "THE CLOUD" that is packaged together as a computing service that charges the client based only on the amount of computing resources that is used.

What makes cloud computing distinct from traditional services? It is sold on demand, and a user is charged only according to usage and the service is fully managed by the provider hence other than PCs and internet access huge investments on infrastructure can be cut. This pay-for-what-you-use model resembles the way electricity, fuel and water are consumed, so cloud computing is also referred to as utility computing.

Cloud computing also makes it easier to access and manage new technology, because you can tap Internet-based applications instead of buying or building on your own. These applications are always updated thereby eliminating the need to purchase and install software upgrades. Since clouds provide on-demand network access, it can be accessed from any organization's systems from anywhere, using any Internet device. It also rules out the need to load software on your computers or workstations or data centers. Cloud computing also ensures better redundancy and long-term reliability.

Cloud Computing and HR Domain

The cloud system has really taken of since 2008 when more and more businesses saw its advantages. One of the early pioneers, salesforce.com, made a large impact on the US and world market, but is considered expensive for the Indian market. Twenty-first century HR professionals are management partners, key players in their company; as such they are involved in most aspects of a company's activities and decisions and, of course, they interact with the entire workforce. The last 20 years, HR has reinvented itself. From the mundane activity of IR (industrial relations and labour), HR has elbowed itself into the front of a company's business radar on par with marketing, finance, administration and other departments. The benefits of cloud computing for businesses are obvious, well how far can these applications better the HR process in an organization is the theme of the paper. In a globalised economy where human capital is highly mobile HR teams are spread out over different areas of a building, to different areas of the country to different time zones. This is likely to result in a lack of communication, where recruiters cannot easily talk to team members working in payroll or benefits, or vice versa at this point the HR having a cloud application is invaluable. This is in no small part due to the fact that the many areas of HR, traditionally kept quite separate in some companies, can all be accessed at one central place, the cloud, allowing departments to 'talk to each other' more easily. This only serves to increase the quality of communication in a company, which, of course, can only result in positive changes in an organization. A good cloud computing system can, among other things, track applications, search résumés, generate reports, calculate payroll, track performance appraisals and maintain data on employees.

Cloud computing ensures companies access to the latest advancements in HR like legal issues, labour policies as they may affect human resources issues. All information is automatically updated, ensuring that the information is current. Security is another concern for HR domain, who deal with sensitive information; virtual services have some of the most sophisticated security systems with restricted access to sensitive information to certain individuals in a company.

Our SME sector can reap great benefits out of this system but it is an irony despite the benefits of cloud computing and the sweeping changes it can bring in HR most of the SMEs do not implement it, stating HR systems are expensive. A Zinnov study estimated that there are around 35 million small and medium business units in India today. However, another study indicates that many of them are reluctant to spend on HR systems because of cost. The benefits of clustering has been appreciated and implemented in most of the SEZ zones in the country but not cloud computing.

For the small scale sector the advantages will be enormous. A good cloud computing HR system enables the entire HR process starting with recruitment process. From online applications to enabling automatic cost comparisons of the best way to recruit, keep a track of the entire recruitment process, give reminders, and store any information and generate detailed reports and searches. A good HR system, will take over from recruitment, provide automated system of induction, employee database and history, performance appraisals, generation of any letters from leave to hiring to compensation, as well as integrating attendance and payroll. This will also ensure that cost effective HR management and provide value to the company by ensuring that employees are looked after, motivated, thereby bringing down the HR issues that hover many of the small scale and startups in India. In the cloud computing models available on the internet, most of the products in recruitment and HR, eg. Talleo.com which offers the entire enterprise system from marketing to HR. Catsone.com is another recruitment system with offers recruitment software, Zoho.com offers an applicant tracking system, Weballigator.com offers a full fledged recruitment system free for any number of users. Smartrecruiters.com also offers an applicant tracking feature free. Both these systems generate revenue from other optional plug-ins or referrals. Thus there are lots of options available for the HR domain in the cloud.

Conclusion

The cloud computing systems and its possibilities for the HR domain is easy and cost effective. The SME sector in India which contribution towards GDP in 2011 was 17% and is expected to increase to 22% by 2012. There are about 30 million MSME Units in India and 12 million persons are expected to join the workforce in the next 3 years. SMEs are the fountain head of several innovations in manufacturing and service sectors, the major link in the supply chain to corporate and the PSUs hence Cloud computing systems are perfect for the price sensitive SME sector which cannot afford the luxury of a full fledged traditional HR. Cloud HR Management system will give cost effective Human Resource solutions with no compromise on quality. Govt. initiatives are also required to bring in cloud computing implementation in the SME sector as clustering.

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Management of Conflict in Pharma Channel Sales : A Critical Analysis on Branded Pharma Products

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Abstract : *India is the 2nd largest producer of pharma products in the world where many of the world players have made their presence. Larger part of the business is trade oriented which makes the role of channel partners very important. Supremacy and politics is a kind of magnet between company and channels in channel sales. It could work either way depending upon the handling and relative positioning. Ideally it should help in aligning partner's interest in the channel with the overall vision of the organization. In monopolistic kind of products the relative supremacy of the channel partners remains subdued but in competitive products supremacy shifts towards channel partners. In this paper the study is done on trade sales in pharma products business in North India which is reasonably competitive in present scenario with a presence of number of small, large and even multinational players. The paper discusses about the existence of supremacy and political factors of channel partner in the Pharma products trade and probable solutions of countering its negative impact on companies.*

Keywords: *Supremacy, Politics, Pharma products, Channel, Trade*

Introduction

Supremacy is the ability to get partner's to do things they wouldn't do naturally (Fedor and Bettenhausen, 2008). Collaboration and cooperation between partners vis a vis company policies is important, especially in global trade where geography, demography, different cultures and languages adds to the diversity (Porter & Mayes, 1979). Politics can be described as the use of supremacy to influence the environment to better achieve personal and commercial goals (Coopey and Burgoyne, 2000). The selection or use of supremacy types like personal, legitimate, expert, reward or coercive depends on the situation, relative stakes and the environment (Brass and Burkhardt, 1993). A political pyramid exists when people compete for supremacy. The individual will not get supremacy as he wishes but have to enter into the decisions on how to distribute authority in a supply chain. There is scarcity of supremacy when individuals gain supremacy in absolute terms at others expense and also when there is relative shift in the distribution of supremacy (Zaleznik, 1971).

In this study a survey of over 100 pharma channel partners and working executives were interviewed across 15 locations including rural, semi urban, urban and metro cities and analysis revealed that dealer development and management is very crucial for pharma products manufacturers. The study shows the differential behaviors and business pattern of channel partners in different areas namely rural, semi urban, urban and metro cities (Cropanzano and Grandey, 1997). In metro cities an increase in direct sales by pharma products producers is posing a lot of challenge to trade channel partners in recent times. This is despite the fact that pharma products production recorded continuous growth in last few years. "Sub-dealers, who are serviced by front line dealers, are disappointed and not satisfied because they are of the opinion that the pharma product companies do not recognize and appreciate their role in the structure of the channel sales.

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Another matter of concern for retailers is that front line dealers do not pass the appropriate benefits deserved by them. At the same time the concern of Dealers is the conversion of quality retailers into Dealership of their own company or the competitor resulting into their direct loss of volumes and profits. This clearly indicates that this segment has a huge growth prospects in the years to come. It will challenge the role & position enjoyed by the channel resulting in reduced margin and aggressive competition.

Analysis of Supremacy and Politics

In channel sales the role of the channel partners is very important. There are different layers of channels in different businesses and in pharma products industry normally trade vertical has two to three layers. The top most layers exist in many companies, which is generally the most important and supreme. In few companies the role played by this layer is handled by the company itself. If it is the external agency in this layer, it is called by different names like sales promoters / CFA / Marketing organizers, etc. Their role is defined clearly by all companies but still they are much more supreme than their position. The second layer which is also first layer in some companies is called as stockist/dealer. They remain in direct touch with the company and directly do the business with the respective company. There is another layer of channel partners normally known as retailers. They do the transactions with the respective dealer/stockiest and are indirectly associated with the company. Role of a dealer/stockist is to buy the product from the company and sell it to the retailers and/or to the customers. Dealers are managed by the company officials and/or by the upper layer depending upon the system being followed by the respective company. Different dealers have different sizes of business and enjoy different supremacy.

Findings for Channel Sales

In today's competitive environment there is a lot of volume selling pressure and companies, employees as well as dealers are under stretched target pressure (Cropanzano and Li, 2006). In managing those business requirements there are various factors. The factors which impact the supremacy of dealers are:

1. Size of business of the dealer – It means the business turnover of channel partner with the company.
2. Association with the company (Longevity) – It represents the number of years of business association of the dealer with the company.
3. Stakes of the company in that respective market – It represents as how important that particular market is for the company. Is it primary, secondary or tertiary market?
4. Total market size in which respective dealer operates and the respective market share – It represents the total market potential vis-a-vis the market share of that particular dealer.
5. Competitor's position in respective market – It represents company's position as compared to competitor's position in that market.
6. Strength of secondary network of the dealer – It represents the dealer's own network of sub dealers/retailers.
7. Investment capacity of the dealer in the market – It represents the financial soundness and investment capacity of the dealer.
8. Strength of customer bases of the dealer – It represents the market presence and regular customer base of the dealer with good footfall.
9. Approach and appetite of the dealer for growth – It is about the attitude of the dealer with respect to present and future business.
10. Pharma products business has a limited piece of total business pie – It means the cases where the dealer's total business size is too big as compared to our business. In other words the dealer has other businesses which are much larger than our business.
11. Individual/Firm goodwill – The goodwill of dealer and its firm is too good which enhances the image of the company as well.
12. TINA or limited alternative – This represents the situation where the company has no alternative.

13. Strong infrastructure – This represents the situation where the dealer has a good infrastructure to support the business.
14. Availability of other options/opportunities – This represents the situation where dealer has other better options available.

Apart from this there are some other factors by virtue of which a dealer becomes more supreme. These are the political factors which enhance the supremacy of channel partners.

1. Relationship with senior management of the company – This represent the situation where dealer has good rapport with the senior management of the company.
2. Networking with other dealers and capacity to influence them – This represents the leadership style of the dealer where he has the capacity to influence other dealers to support his thoughts.
3. Proximity to the people in dominance – It means where dealer has connection with those people who are in supreme.
4. Position or supremacy to influence the people in position at local bodies – This represents the position where dealer may influence the business with the help of local bodies.
5. High nuisance value – This represents those dealers who have big nuisance value and have the capacity to escalate small issues and even non issues.
6. Capability to exploit weakness of systems/ individuals – This represents those dealers who have expertise in taking advantage of weakness of individual officers or sometimes systems.
7. Limited authority of dealing officials – It means when dealing officials have small authorities in taking decisions, respective dealers, at times take advantage of this.
8. Strong/Influential personality – It means some dealers have a strong personality and they take advantage of this.

Further, there are various reasons to exercise supremacy and use of politics by dealers and the most common are:

1. To get extra benefit in the business.
2. To satisfy their ego.
3. To exhibit the supremacy.
4. To pressurize respective officers and company to keep them on back foot.
5. To hide his weakness.
6. To improve bargaining supremacy.
7. To draw attention and priority.
8. To extract better services.

Though there is no readymade solution with organizations for countering these supremacy and politics issues of channel partners, as each dealer has different combination of these factors and so need to be handled separately but there are certain ways by which several factors may lose its negative impact. These are:

1. Strong and transparent system with minimum deviation- If the company is system oriented and does not deviate from this in routine, individual dealers would not try to take chance.
2. Importance of front line executives – Companies should portray its front line executives as the face of the company and show good respect for them.
3. Less interference of seniors on day to day business – Day to day business should be dealt by the front line executives only and there should not be any interference of the senior management.
4. Seniors to build strong brand equity of the product – Seniors should spend more time and energy in uplifting the brand equity of the products and company. This will improve the importance of the product and company. The dealer would always have a fear of losing that brand if he does not work as per company policy.
5. Effective value system of the company – Strong value based companies have very little impact of supremacy and politics of dealers.
6. Strong two way communication with in organizational hierarchy – Effective communication between front line

executives and seniors would reduce the impact of supremacy and politics of dealers.

7. Periodical training and development of employees as well as dealers – Value addition would make them more focused about their business and so the role of supremacy and politics would be diluted.
8. Relatively better retained margins to the dealers – If the retained margin in the business remains good, the focus of the dealer would always be more towards business and he would have fear in doing politics.
9. Information flow must maintain hierarchy – All the decisions and information should follow the hierarchy. This will keep frontline executive as well as seniors always updated and there will not be the scope of communication gap.
10. Complaints should be handled on merit basis and not on as who lodged it – There needs to be proper analysis of problems and solution should come on the basis of merits.
11. Conducive work environment – There needs to be conducive work environment both for the dealers as well as company officials. This will utilize the energy in a productive way.
12. Good back end support to front line executives – Since front line executives are face of the company, they must get good back end support not only from marketing department but also from other support functions like accounts, MIS, logistics etc.
13. Strong supply chain management – The role of supply chain is very important as the market is highly demanding w.r.to services. The expectation level is increasing day by day and if the company has the supply chain system efficient and effective, it will be a big support to have a command in the market.
14. Maintaining desired and designed service standards – Each business desire certain service standard and if they are maintained, it reduces the irritants of the market.
15. Delivery of agreed quality and proper handling of complaints – Quality of product and timely complaint handling adds on to the brand equity.
16. Visible growth opportunities both for employees and channel – When dealers as well as company employee see the growth opportunity in the business, both remain focused and reduce the chance of deviation towards other things.
17. Timely decision making – It is very important to make timely decisions. At times even saying no timely is better than saying yes after a long time.
18. Clarity in business policy – When there is clarity and transparency in business policy; it reduces the unexpected expectation level.

Discussion

This study attempted to examine the influence of Supremacy and Politics on channel sales. Harrel- Cook and Dulebohn (2000) found that supremacy and politics in the channel sales are very important in any competitive business and the pharma products trade falls in the similar category. The main finding of the research is that for an effective trade business it is very important to create an environment where politics does not harm the business. The findings strongly support the work of Baum (1989) that systems and policies should be strong enough with clarity to all so to avoid the impact of undue supremacy and politics.

Butcher and Clarke (2001, 2008) found that role of effective communication and timely decisions are very important to counter the impact of this into the trade. Breaux and Ferris (2009) reported that while creating the network utmost care is required to assess the mutual requirements and expectations. Davidson and Perrewe (2005) pointed that long term as well as short term goals must be kept in mind while dealing with channels. Emerson (1962) asserts that periodic development and training is an essential component.

Role of senior management is very crucial and the real delegation and supremacy of front line executives and different layers in hierarchy would help in reducing the political impact on the business. Nobody should be allowed to take undue advantage of the position and situation and clarity and transparency must be maintained at all levels. Information flow should also follow the systematic route and without bypassing any relevant link. Decision making process needs to be speedy and in line with the business policy.

Focus should always be there on quality of product at reasonable cost with timely delivery with all applicable services. If these components are better than the competition, negative impact of politics would be minimal. Also if the channel earn reasonable margin in the product and company takes care of the smooth pull among the customers, politics cannot easily impact the business.

Research work of Russ and Fandt (1989) further contributed in understanding that in those businesses where product is monopolistic in nature or the competition is not intense different approach may take place or alternatively the supremacy of channels would be too low. Mayes and Allen (1977) quoted however in competitive products all aspects need to be taken care off. Gandz and Murray (1980) included all the aspects and factors of the study may be studied further individually and deeper study may be done to analyze as why such behavior is visible or what all factors contributes to a particular behavior. This research leaves scope of research where the similar study may be done in different zones. Also a comparison may also be done between different geographies with in the country or with global scenario.

Conclusion

Supremacy and politics play important role in both the success and failure of organizations. It is important to judge the right equilibrium for supremacy and politics to make it functional. The weak links in channel partners occur because of these imbalances. The right approach for having smoother trade systems would be having positivism in roles of supremacy and politics among channel partners. As the strength and success of such businesses depends on the quality network, it is very important for the organizations to take care of mutual interests. It must have a close watch on routine developments and must take timely actions and decisions, including expansion, before the supremacy of channel partners go beyond their control. Also organizations should discourage the growth of politics and suppress it for the larger interest of all.

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Action and Reaction in Corporate India : A case after Recession

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Abstract: *During recession, job losses in India had created some ripples among some section of employees as well as their employers, who felt that they were also going to face the similar odds any time then. Employees perceived to retain their jobs and also wanted somebody to guide them with dos and don'ts, to tide over the great crisis faced by their companies. Employers wanted to sustain during economic crisis and resist the downturn with all available resources. However, after the economic recovery, changes were observed in employee attitudes, both in their existing services and in their selection of new jobs in companies. Simultaneously, employers also wanted to be more rigid in recruiting talented individual to ensure higher performance and greater quality of output from employees. This paper identifies the problems around these issues and suggests the immediate need for alignment of employee attitudes and employer expectations through innovation and management.*

Key Words: *Recession, Employee, Attitude. Employer, Output*

Introduction

In the post recession period, markets started showing signs of prosperity and growth, as corporate India felt rejuvenated for better earnings. Among the various market analysts, Google CEO reported that the recession is over, (http://hrmtoday.com). Even various media reports also claimed that, companies are planning to hike employee compensation, perks, bonuses and other benefits to retain and nurture talent in their businesses. Some are even planning for fresh stock options as tool to retain best of their talents, and also started drawing up succession plans to keep poachers at bay after the economic turbulence. At the same time to balance these outgoings some employers even brought down the hierarchy ladder to streamline the level of technology skills in their company. While, few are asking far more employee accountability to make staff more responsible for clients and businesses. Some even want to recruit people with attitudes of compassion for poor for the very nature of the services required by their customers.

However, there has also been a change in employee attitudes after the economic storm. Almost 25 per cent of high potential employees are looking for new jobs. Even it is estimated that 10 per cent of other employees are also likely to change their jobs any time now. Nearly 15 per cent of India's middle level executives are not happy at work (Tiwari, Dheeraj. 2010). Some employees feel that working in smaller companies, are far more enriching. They even enquire about the company's work culture before joining any organization. A few even kept a close watch on the treatment of companies towards their employees during the economic downturn. While on other hand, demand for manpower has been rising considerably after the economic recovery. For example, during early 2010, there were 22,000 vacancies in public sector banks despite job drive. According to the data filled by ministry

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of finance, 11 public sector banks are facing shortage of staff. However, according to the Director, Institute of Banking Personnel Selection (IBPS), M Balachandran, the staff shortage may far exceed 22,000. “The banks have turned strict in their recruiting process, but given the expansion that banks are looking for, they’ll far exceed these numbers,” he said (Tiwari, Dheeraj. 2010).

The labor unrest which was once absent during economic downturn returned after recession. Some of the examples can be seen in the automobile sector of the Indian industry today. However, with the expectation of higher economic growth projected by various quarters in the post recession period, a new initiative (both from the corporate India and the employees) may be needed to align the difference between employee perceptions and corporate expectations, which seems to be at loggerhead at this moment.

Research Objective and Methodology Used

This research was carried out on the premises of repeat media reports (between January 2010 to June 2011) about changing work environment in the companies after recession, sourced from various research agencies (CEB, Towers Watson, Hewitt Associates, Man Power) along with comments from corporate leaders in different industries, with the objective of finding rationale behind these changes. The methodology followed in this research was carried out in four stages. In the first stage there was collection of various reports (data) from business news papers, journals and from television news and/or business channels. In the second phase relevant portions from these reports were selected and analyzed. Then in third phase the analyzed data was further examined and identified as an issue of change in employee perspectives and employer’s actions. In the fourth phase, concerns were expressed and inferences were drawn with sustainable approaches.

Change in Employee Attitudes

At the end of recession period**,** a global survey conducted by advisory firm Corporate Executive Board (CEB is an advisory firm that helps companies find solutions to their business problems by sharing best organizational practices), showed, that one in every four high-potential employees is looking for a new job, resulted from the driving down of their engagement levels by employers. Apart from this group of employees, there is also another group of 10% of employees who are to change their jobs during the economic recovery. All these changes in turn will definitely have some impact on overall productivity of the organization.

The above survey was titled Executive Guidance 2010, further explained that, “An average organization faces an imminent 7 per cent productivity loss from the combination of departing top talent and under managed recruiting pipelines”. The survey covered hundreds of executives across the world and 30 top executives from India. The survey revealed that in order to avoid top talent disengagement, the companies should ensure that their talents are mobilized towards right goals, where communication plays an important role. From its research and analysis, it found just 21 per cent employees were fully aligned with organization goals, while the remaining 79 per cent were less productive on account of not being aligned with the right organizational goals. These may be due to ineffective communication and the inability of managers to explain properly to employees about the job profiles and expected goals and objectives. According to CEB India managing director, Shaurav Sen, “If organizations enable peer-to-peer collaboration and manager-led dialogue rather than top-down communication efforts, it would help”. It added another post recession implication assumed to be of high levels of misconduct among employees. “Restructuring and downsizing have created an increased state of distrust, anxiety and cynicism among employees, which has translated into a rise of fraud and misconduct. Globally, unemployment and attendant employee mistrust may stay high until well into 2010”, the report further added (Puri, Mahima. 2010).

In another survey conducted by Towers Watson 2010 Global Workforce Study, concluded recently, projects, that nearly 15% of India’s middle level managers are disenchanted at work. The worst part is that half of the country’s midmanagement would switch jobs at the next offer that comes their way, which they may not be looking out. This information may make nervous to most well-meaning employers. The seething discontent in mid-level executives is some how in stark contrast of globally post-down turn event. This study finds that these middle level executives show interests where money is, i.e. better pay, skill upgrade, higher status, and a perch in higher leadership team – in that order particularly after the downturn. The data collected by Global Workforce has significance for India, as 3000 of the 25,000 respondent belonged to the country. The study was conducted in the period from November 2009 to January 2010, and covered mostly male candidates with the age group between 25 to 35 with an average work experience of five years and less in middle management. According to Towers Watson MD, Dhritiman Chakrabarti, "the 25-30 age group constitutes a majority of the Indian workforce and it is the middle management that defines the level of engagement in India"(Mitra, Moinak.2010)

However, the highlight of this study was that the employees were more rooted to workplaces in tough times as 39% were engaged, compared to 36% during boom time in 2007. Even only 10% were chasing jobs against 20% in 2007. And 30% have no plan to quit jobs compared to 26% three years age. Mr.Chakrabarti further added, "Mobility has come down because people, given the difficult environment, prefer stability over movement" (Mitra, Moinak.2010).

In another example of changing employee attitudes, it could be noted that during the recessionary period many observed that jobs in some of the large companies had dried up as employees got retrenched. This situation led to think some young and enterprising individuals to join smaller companies. In hindsight, a good number of job-seekers thought that working in smaller companies could be far more enriching. This may to be true, as after the recession, with the noticeable economic recovery in the market and many small and medium enterprises (SMEs) started hiring people. According to Sunil Goel, director of Delhi based Global Hunt, "automobiles and ancillaries, retail, banking, and financial services, telecom infrastructure, and health and life sciences are the broad sectors where the recruitment is happening in large numbers" (Agashe, Ashish. 2010).

During 2009 to 2010 there were some major labor unrests in the private sector of the industry leaving apart the unrest at Air India. Examples like, Pricol, where the Human Resources Vice President, J. George was allegedly killed by striking workers. Automobile manufacturer, Hyundai faced four strikes in 2009/10 due to employee's demand of recognition of the rebel union. Employees of Bosch's (an automobile equipment manufacturer) factory at Hosur intimidated and threatened the management led to a lockout. In 2010, Nokia suspended 68 employees in January on account of indiscipline at the workplace (Rohit, T.K. 2010). In the year 2011, it was the turn of Maruti Suzuki Ltd to face the labor unrest, which is still going on.

Change in Employer's Action

With the progression of economic recovery, hiring in corporate picked up pace and companies started building confidence to nurture and retain talent with care. However, the threat for poaching continued to be a critical situation in India. Hence, companies like Lafarge, LG, Philips, Dabur, Indian Oil, Dr Reddys and Maruti-Suzuki believed that creating a blueprint of potential leadership could stave off the risk of attrition. For example, Lafarge had used the downturn to build senior talent pool which the company intends to retain through succession planning. It has created three types of successors in critical positions. These are: an emergency successor, who can work on a stop gap arrangement, an ideal successor who is to be groomed to take up roles and responsibilities in next two to three years and, a possible successor who can take up any role in five years. According to Reva Prakash, Senior VP (HR), Lafarge India, "when identified successors see the effort companies take in developing them, they are less likely to fall prey in poaching"(Mukherjee, Writankar. 2010)

LG Electronics on other hand have started identifying not just critical talents but successors for second line positions. The company formed a five-year career growth plan for every employee

& IT), “In another two years aging will start in the shop-floor level and we have to prepare ourselves for that” (Mukherjee, Writankar.2010).

On the other hand, due to upswing stock prices after the downturn, some companies have started opting for stock options to retain their best talent. Nearly a dozen company in sectors like banking, IT have announced employee stock options plans (ESOPs) for their core employees. Leading among these listed companies are HDFC Bank, Axis Bank, Cairn, Wipro, Reliance Communications, and Suzlon Energy. As per market analysts, companies that are sure of their corporate growth, grant stock options to their employees. According to Garima Sharma, manager-consulting, Esop Direct, a Pune-based ESOP consultancy firm, “employees have a better chance to make money on Esops that are allotted to them, when the market is just rising. Most companies are making their offer at the current market price; this helps companies keep their books clean in the event of Esops converting at a discount (to a market price)”. However, according to Rajesh Bhojani, Head Mangal Keshav Securities, “esops are one of the best ways of rewarding talent, particularly for start-ups. It is a crucial component to retain key employees in talent driven business like IT and banking” (Menon, Shailesh. 2010)

Among other corporate action, some Indian companies have even planned to double digit percent salary hikes for their employees. In a recent survey conducted by HR consulting firm Hewitt Associates, showed the average salary increment in the last year had shrunk to 6% compared to 15% in 2007 as economic slowdown hit the corporate India bottom lines. Now compared to that overall average rise in salaries in current year would be around 10.6%. In fact Indian companies are expected to give an average salary hike to 11.4% compared to MNCs around 10.2%. According to Sandeep Chaudhary, Hewitt Associate’s leader of performance and reward consulting practices in India, “organizations in India are positive and looking at measured, realistic growth” (The Economic Times, March.2010)

To touch upon another example, for nearly over a decade, Infosys Technologies has been seen as a leading company in employee friendliness. This reputation has recently taken a big blow. Several measures taken by company over last few months to correct some of few past excesses have angered the employees. It reflected in their comments made in response to articles about the Infosys on the internet in recent weeks. Even employees used the official blog to display their descent. The biggest grouse was raised against an HR initiative called iRace – Infosys Role and Career enhancement which was rolled out only last year. This initiative was originally designed by Mercer, a consulting firm, to map position and skill levels of employees. Previously, positions and promotions in Infosys were given arbitrarily, base on employee’s bargaining strength – which was substantial considering the abundance of jobs. Many were given managerial responsibilities within short duration leading to complaints from customers about lack of technological skills. Even though iRace’s objective was laudable, but it suffered implementation with retrospective effect. Many Infosy’s employees were demoted, even by two levels as they do not meet the iRace’s standard. Hence, senior project managers were demoted to project managers, project managers to technical leads. This had angered many employees who believed that certain aspects of iRace are irrational. However, this initiative had full backing from Infosy’s management (John, Sujit & Tejeswi, Mini Joseph. 2010)

In similar fashion, another software service provider, Patni Computer Systems scripted its revival by making changes that will make employees more responsible for clients and business. Mr. Jeya Kumar, CEO of the company and his top team planed to roll out a dual reporting structure effective from April 2010, where every employee will report directly to one manager and will also have a ‘dotted line’ relationship with another manager. In an interview with Economic Times, Mr. Kumar said, “We felt that this is the right way to do it. This industry will always have to operate on a direct and dotted line basis. But we need to make sure that both the dotted line managers and direct line managers are empowered” (Shivapriya, N.2010). For evaluating the performance of employees, direct line managers will have a 51% vote, while dotted line managers will have 49% vote. This dual-reporting model will be applicable to all employees except those below the level of project managers and those reporting to CEO directly (Shivapriya, N.2010)

To add further, some of the new initiatives taken after recession by corporate banks in India are also worth mentioning. The Reserve Bank of India (RBI) has asked the banks to ensure that they recruit people who are willing to work in rural areas and have compassion for the poor, as it focused on achieving 100% financial inclusion. This was disclosed by K C Chakrabarty, Deputy Governor, RBI, while addressing at the silver jubilee function of Institute of Banking Personnel Selection (IBPL), which incidentally recruits employees for public sector banks (PSB). Mr. Chakraborty said that banks should not only select the best individuals but also recruit appropriate people for the job. He further added, "out of my experience as a bank chairman, I can tell you that I found very few people willing to undergo rural postings. As the Indian banking systems embarks on massive goal of financial inclusions, IBPL would have to ensure that candidates have compassion for the poor and underprivileged, and willing to go to rural areas, are selected for the banking industry". What appears that in future public sector banks are likely to post their employees in rural branches for few years (The Economic Times, April 7th.2010).

Imbalance of Employee's Attitudes with Corporate Actions

With this change of economic scenario, the alignment of employee attitudes with new corporate initiatives seemed mismatching. The picture was quite clear when examined at the public sector banks. Despite job drives, public sector banks could add only 15,000 during last one year against they had 22,000 job vacancies. According to data compiled by finance ministry 11 public sector banks have huge shortage of manpower. This was also due to large scale superannuation for which they were also not expediting the selection processes. According to a finance ministry official, "banks have full operational and managerial autonomy regarding manpower and recruitment. The filling up of the vacancies, is an ongoing exercise and banks make their recruitment as per their own needs". Apart from manpower like clerical staff and probationary officers, banks also need employees in sectors such as agriculture, economist, planning, research, legal, security and Information Technology (Tiwari, Dheraj.2010)

Similarly from the IT (Information Technology) sector, Infosys Technologies offered around 17% pay hike for over 100,000 of its employees in 2010, so as to retain staff and also to attract new recruits, when the rivals in the industry are likely to compete in the war for talents. With top customers, like General Electric, British Telecom and Microsoft, expected to offer more offshore projects to lower their operating cost by almost half, multinational rivals, like IBM and Accenture, and other offshoring firm including Infosys, will have to arrest attrition rates, and ensure delivery of uninterrupted services to customers. According to S Gopalakrishnan, CEO, Infosys, "there will be a war for talent and it's one of our biggest worries in the median to short term". In the current year, in order to cope with higher demand of offshore outsourcing, India's $60 billion outsourcing industry is expected to hire around 150,000 new people. This is at a time when around 4,500 Infosys employees decided to quit the company after the introduction of new employee rating systems iRace, of these 2500 were already given promotions, while remaining were kept in the same levels (The Economic Times, April 14th. 2010)

With such developments, situation has been a precarious one and the shortage of talent became a global problem now. According to the annual talent shortage survey conducted by HR solution firm Manpower, released globally on20th May 2010, reports that close to one-third employers find it difficult to fill key positions in their organizations. In the Asia- Pacific region, the situation is still worse, as two out of five companies are facing talent shortages in the their companies. There has also been an increase of 9% of non-availability of desired skills this year, around this region. Comparatively, India is better off, as the country faces less shortage of talent with only 16% employers saying that they find it difficult to access people with the appropriate skills. This survey covered about 1700 employers in India and around 35,000 employers across the globe (The Economic Times, May 21st. 2010)

According to Jefferey A Joerres, Chairman and CEO of Manpower, "employers have become more specific about the combination of skills sets they are looking for. They not only seek technical capabilities in a job match, but also hold out for people who possesses additional qualities of that will help drive their organization forward". He further added, that this conundrum may be upsetting the jobseekers everywhere, who, may need to take more responsibility for his/her skill development in order to remain relevant to the need of the market (Sengupta, Devina.2010)

In corporate scenario, some disgruntlement at work place has always been quite an age-old phenomenon in companies. But there are hopes for those who peeved as how they are being treated in their career. Some companies are going all out, to erase employee illusions through ombudsperson, skip-level meetings (meeting your boss' boss), beer-bashes, even taking the entire team out to an outdoor trips so that deep-rooted employee frustrations can be understood and addressed. This not another team building exercises. Kamal Kamath, Managing Director, Kelly Service, took his team out to climb Garur Maachi, a fort near Pune, and got them drenched even during rains. Mr. Kamath said "there are great ways to handle disgruntled employees, since colleagues, who have particularly not liked each other before, too, can build a sense of camaraderie" (Sengupta, Devina. 2010)

In another instance, Wipro Ltd, an IT company had appointed ombudspersons to settle employee issues in the organization. According to Joseph John, VP- HR, "any employee can report violation of rules, ensuring that all employees can air their views and opinions without fear of retribution". Similarly, company like NetApp organizes one in every Friday get together and the company president, Vikram Shah, vouches that everybody speaks up at these meets. The idea behind, often, what one can't be said in one-on-one meeting can be expressed in a beer-bash (Sengupta, Devina.2010).

Even, the latest fight between management and union in Maruti Suzuki Ltd (Maruti) due to non recognition of majority employees (who are on contract services) union has been criticized by media as the contract laborers are paid less compared to regular workers in the company. In an editorial, the Economic Times, dated 13th June 2011, wrote that Maruti must recognize this union and the distinction between regular and contract workers must go as people doing the similar work can not be paid different rate. The paper also suggested that, government must modify labor laws so that during bad days companies can lay off employees (ET, 2011).

Conclusion

Looking at the actions and reactions both from the employers and the employees in their respective areas, collected from various media reports, especially from news paper and comments from corporate bosses, suggest an immediate urgent need for alignment of their respective goals. After the economic storm, companies wanted to bring changes in their working environment so as to make the corporate more competitive to sustain in emerging markets and face future odds. While employees expect more for their individual needs, like, regular raise in salaries and perks, enhanced facilities, good growth prospects, and respect at workplaces. And when these fall short of employee's expectation they change the jobs and leave the organization. But considering the economic growth projections forecasted by various state and central government agencies for coming years, some basic duties are required to be performed by both the parties which would be paramount for the larger interest of the organization and country as a whole. As a first step, the companies should ensure that they empower employees to the possible extent, make the employees feel cared, show some flexibility in actions, practice democracy while accepting suggestions from all section of employees, encourages transparencies in communication and knowledge sharing, reward employee credibility. Most Indian companies do preach these philosophies, but have not been clearly known how many follow these in real world. May be some have still to cross the barriers and break their old myth about employees and come out open to develop employee morals and reap the harvest for future development of the company.

For employees concerned, the time has come now for them to think ahead and understand that their future depends upon the growth, prosperity and sustenance of their organization. They need to be more proactive to the organization objectives, contrary to holding a biased political mindset that companies will not do anything for their future. They may also need to think about their own self-development without being depended on companies in order to be competitive in the organization as well as in the open job market.

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Select Bibilography on Leadership and Leadership Development (D-L)

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Leadership is necessary for an organization. Leadership provides direction and is a means to the ends. Irrespective of the size, leadership plays a vital role in the birth, growth and survival of an organization. Lot of research has been carried, on leadership, leadership development and related aspects. Research on leadership is unending. Many students, scholars, teachers and practitioners of management are trying to further unravel the intricacies of leadership and leadership development in the business organizations. For the purpose of assisting them in furthering research, bibliography on "leadership" and "leadership development" has been collected, edited and presented hereunder. This is in continuation to the bibliography presented in the previous issue.

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