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## Editorial

There is a growing inquiry into the historic conditions and the development over time of the business school and management studies where these learning provide to open debate with new directions to consider giving new prominence to the Humanities and Social Sciences. The scope and direction of management studies then becomes a subject matter of immense importance as it connects the prospect of the management professionals towards shaping society and organizations.

When the society is under transition and the world market is being globalised it requires different unavoidable abilities such as analytical skills, multi-perspectives and individual growth and mastery, which are related with consultative practical skills of a future employee or entrepreneur thrown into the cultural and technical dynamics of worldwide capitalism. The demand for management professionals is no exception to this trend. The corporate needs management talent to cope with the dynamic environment that economic growth brings with itself. When the market place is more competitive, products becomes more complex and when the customers demand increases, the management professionals need to be high on competence and delivery. It will give a holistic outlook to the professionals only when the social sciences, humanities and management disciplines connect with one another.

IUN Journal of Social Sciences Vol.1 Issue 2 is the outcome of National Seminar organized by the Faculty of *Humanities and Social Sciences* of ICFAI University Nagaland on the theme, “The Role of Humanities and Social Sciences in Management Education” on February 19<sup>th</sup> & 20<sup>th</sup>, 2015. The Seminar was sponsored by the *Indian Council of Social Science Research (ICSSR)*.

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## **Role of Humanities and Social Sciences in Management Education\***

VRK PRASAD

### **Abstract**

*The role played by Humanities and Social Sciences in all fields of education in general, and in Management Education in particular, is very important and their relevance is indisputable and inclusion in syllabus, inescapable. The present tendency of getting glued to management or engineering education needs a paradigm shift as stake holders are yet to realize the importance of undertaking study of social sciences. This paper examines how Humanities and Social Sciences play a catalytic role in applying knowledge gained through social realities. Experts rightly opine that if science teaches certainty, the humanities and social sciences teach uncertainty and help one to develop an innate ability to question established facts.*

**Keywords:** *Management; Education; Knowledge; Skills*

If we go back to ancient times, the kings ruled, had armies, and founded kingdoms. All that they did was govern their lands and people, and when opportunity came knocking, they invaded a weaker country. That was the law of the land. Ancient texts of China, Arabia, and India highlighted strategic policies and management technique in one form or the other. In India, the origin of management can be traced to scriptures like Bhagavad Gita, Vedas, Smritis Puranas of Buddhist and Jain texts, and through the accounts of foreign travellers to India.

Chanakya, also known as Kautilya who was the Prime Minister of Chandragupta Maurya of Maurya dynasty, authored 'Arthashastra' which has become a basis for understanding modern day finance, knowledge and business strategy. Sixth century military treatise, the 'Art of War' written by Sun Tsu, a Chinese Philosopher formulated how war was fought and should be fought based on certain principles of war with due application of managerial skills, which is now followed as fundamental principles of war all over the world.

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*\*Delivered as a Keynote address in the ICSSR sponsored seminar on the 'Role of Humanities and Social Sciences in Management Education' held at ICAI University, Nagaland on Feb 19, & 20, 2015.*



Brian Tracy in his book 'Victory' (2002) gives a detailed account of origin of the principles in various battles and describes their application in a corporate world and even to an individual's personal life. Management as a concept is as old as our civilization itself. It owes its origin to our history, arts and literature to say the least. We can see the role of management in any activity be it military, religious, manufacturing, trade, sports, health care, education, and even entertainment. People need to possess skills and knowledge but they also need to be properly managed to produce the desired results, which can be achieved by converting their knowledge into true capital for any economy. Only then they become assets to the organization and their inter-personal relations start constituting as a social capital along with other capitals.

Around 19th century the largest permanent organization was the army and it was only after the revolution in 1857, the industries came into existence taking the command structure of the army as a guideline for their functioning and it remained so for the next hundred odd years. Adam Smith's writings indicate that it took a lot of time for countries to develop the labour in acquiring skills, manufacture a product and market it. Till then, 'management' as a concept was treated as an 'art'. It was Frederick Taylor who initiated a scientific way of doing things by applying the fundamental principle that 'people are different' in every way and the need to treat them differently to both skilled and even unskilled people based on it. 'Delegation' as a managerial skill and norm came up in large enterprises. Marketing evolved to ensure distribution and selling. In a way it was all about application of the knowledge so as to emphasise on 'working smartly' over 'working hard', like doing 'right things' over doing 'things right'. It was only after World War II that 'management' became a general principle, applicable to all institutions with people having diverse knowledge and skills. 'Management worldwide has become the new social function' (Peter Drucker, 2001, 3-13). This itself, stresses the relevance of social sciences in management.

The word 'Management' if divided can be viewed from three aspects 'manage men tactfully' so as to achieve organizational objectives, which is a universal fact. The difference comes only in the way this 'tact' is applied which depends on the culture and tradition of the country concerned.

In view of various theories of management propounded by Taylor, Fayol and Elton Mayo, 'management' as a concept was given a scientific tag, finally resulting in a definition of 'management' as 'the process of getting things done with optimal and effective utilization of resources at one's dis-

posals, be it men, material, machinery and most importantly the money'. As the technology advanced, it led to the coining of another term called 'knowledge worker' by Peter Drucker denoting the possession of valuable technical and professional skills.

Now to put an end to the debate of whether management is an art or a science, I take the liberty of quoting Peter Drucker again from his book 'The Essential Drucker' (2001, 12-13).

### 'Management is a Liberal Art'

*"Thirty years ago the English Scientist and novelist CP Snow talked of the two cultures of contemporary society. Management however fits neither Snow's 'humanist' nor his 'scientist' [category]. It deals with action and application; and its test is results. This makes it a technology. But management also deals with people, their values, their growth and development and this makes it humanity. So does its concern with, and impact on social structure and community. Management is deeply involved in moral concerns – the nature of man, good and evil.*

*Management is thus 'liberal art', 'liberal' because it deals with the fundamentals of knowledge, self knowledge, wisdom and leadership, 'Art' because, it is also concerned with practice and application. Managers draw on all the knowledge and insights of the humanities and the social sciences – on psychology and philosophy, on economics and history on ethics – as well as physical sciences. But they have to focus this knowledge on effectiveness and results".*

So, we can say that Management is a technology with a human touch. Thus, a Manager to become a 'knowledge worker' he acquires various technical or professional skills, but he also needs to be a 'wisdom worker' to apply all the techniques with a human touch. Human touch here implies thinking, analyzing, evaluating and creative skills. Wisdom comes from acquiring 'life skills' which helps an individual in building self confidence, self esteem, and the art of relating with people as they are the body and soul of any management process. We may even consider terming 'wisdom' as being worldly-wise, possess integrity, render selfless service, remain deeply determined, and mature enough to lead one's team. So, I feel management is a bit of both 'art' (wisdom) and 'science' (knowledge) one complementing the other.

Management Education having had its origin in Europe and US in the

early 19th century it spread its wings all over the world there after. Management Education is comparatively new discipline in India. Some studies say that the first college level business school was founded in 1913 in Mumbai's Sydenham College while some others say it was Indian Institute of Science Bangalore in 1948. Indian Institute of Social Welfare and Business Management, Kolkata also claims to have started management diploma programs in India in 1954 and Andhra University in Vishakhapatnam with its full time MBA program in 1957. Notwithstanding these claims, this discipline registered a massive growth with number of institutions coming up both in public and private sectors, the later taking the major share and IIMs dominating the public domain. All said and done, today we have close to 3000 institutions imparting management education in our country with many of them either closing or opening every year again mostly in private sector for certain reasons.

What does Management Educations give us? Almost everyone takes it up for seeking gainful employment. Agreed, it is a professional program. But, is employment the sole objective of any education? Youth in some countries do not seem to think so, and they could not have been more right. In Italy 80,000 students of higher education were reported to have agitated against this 'education for employment' concept to force their country to withdraw their 'Jobs Act'. Over emphasis on professional education at the cost of classical liberal education is not good for any country as it produces graduates of indifferent quality. This is authenticated by various surveys which put employability factor of management graduates between 17 to 20% only and the less said the better about engineering graduates. Most of the students were found to be lacking in cognitive and soft skills. Knowledge acquisition is essential but it is not the end of everything. Plenty of additional knowledge is required to apply it and to produce more knowledge. Liberal arts and social sciences provide this 'wisdom' to a student. Unless one studies anthropology, philosophy, history, literature and economics etc, one cannot get inspired to do anything creative. Hence studying across disciplines helps a student to develop a holistic perception in his field of study. Methods learnt in one discipline may compliment learning in the other, for example a professor of English at the University of Nebraska relies on digital tools to analyse themes in literature. Same goes for 'neuro economics' using the methods and tools of neuroscience, psychology and behavioral science on economics to understand how humans make decisions. History makes students to learn how events have shaped the course of humanity over the centuries. To ensure that knowledge of various academic disciplines are shared and explored, ICAI University

Nagaland is starting Credit Based System from the academic year 2015-16 to facilitate students to learn across the disciplines.

The present tendency of getting glued to management or engineering education needs a paradigm shift as stake holders are yet to realize the importance of undertaking study of social sciences. Humanities and Social Sciences play a catalytic role in applying knowledge gained through social realities. Experts rightly opine that if science teaches certainty, the humanities and social sciences teach uncertainty and help one to develop an innate ability to question established facts. Courses on religion, arts and music are basically interdisciplinary in nature. “An arts degree focuses on understanding different aspects of a society such as its history and economy”<sup>1</sup>. Sociology helps students to develop analytical skills in understanding the demographics and customer behavior etc. Same goes for psychology and philosophy too; all these make one understand as to how the society evolved over the ages. Fortunately, corporate sector is coming forward to assign value to the study of Humanities and Social Sciences; so much so that now, they form an essential credit based courses of both engineering and management education.

The role played by Humanities and Social Sciences in all fields of education in general, and in Management Education in particular, is very important and their relevance is indisputable and inclusion in syllabus, inescapable. The outcome of a national survey of American employees published in the Huffington Post reportedly described by Edward Ray, President of Oregon State University USA as “ninety three percent of surveyed employees felt that a candidate’s undergraduate specialization was less relevant than his or her ability to think critically, communicate clearly and solve complex problems”. Also, the Idaho Council states that “through the study of humanities, it seeks to yield wisdom”. Further, Humanities help us to lead our lives in a systematic way while Social Sciences help us to analyse and understand human behavior, Humanities help us to raise questions and to meet life’s challenges, both resulting in ‘wisdom’ which goes beyond mere acquisition of knowledge.

I would like to conclude with a statement made by Lord Reading, the then Vice Roy of India, in 1923 while addressing the students of Delhi University, “we shall welcome knowledge with open arms when she comes to our portals – but let us not make the mistake of forgetting her more bashful sister ‘wisdom’. For knowledge and learning alone will not make the sum total that our alumni should take away with them, at the close of their studies. We should have them go out into India not only adorned with learning

and replete with knowledge but possessing the less easily acquired and more intangible qualities of the cultured mind, good judgment, wise tolerance and strong character.”

### ***Quotable Quotes***

1. ‘A strong UG education in arts and commerce will lead to diverse pool of students in B-Schools’. Ashish Nanda, Director, IIM Ahmedabad.
2. ‘I would like to study of humanities or any other discipline to the foundation on which edifice of management education is built’. Bala V. Balachandran, Founder & Dean, Great Lakes Institute of Management.
3. ‘Management Colleges should devote one fourth of their curriculum to liberal arts’. Gurcharan Das, Author, Former CEO, P&G India.
4. ‘Humanities must be combined with management education for holistic learning’. Saibal Chattopadhyay, Director, IIM, Calcutta.
5. ‘Management courses will not take a back seat if humanities education starts gaining currency’. Andre Beteille, Sociologist, Writer and Chancellor, Ashoka University.

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2. *Times of India*, Hyderabad – Apr 6, 13 and 20, 2015.
3. Brian Tracy.(2002). *Victory*. AMACOM.
4. Views expressed are author’s personal, which are formed over the years during his long association with higher education in general and with management education in particular.

### ***Endnotes***

- <sup>1</sup> <http://timesofindia.indiatimes.com/home/education/news/Diverse-offerings/articleshow/46819170.cms>. Accessed: 22/06/2015

## **Beyond Domains: An Integrated Approach to Management Education**

CHARLES P. ALEXANDER

### **Abstract**

*The contemporary scenario of higher education focuses on specialising and empowering the students for the job market. In this process, our educational system concentrates more on the end, rather than means; focuses more on producing a competitive workforce for specific tasks, rather than on skills required for a cohesive social existence. This materialistic trend has not only put tremendous pressure on the educators in tailor making the course contents to the tune of market economy, but also witnesses the decay of good-old value systems; let alone being replaced by values that are conducive for profit maximisation. But, to one's surprise, despite several attenuations and standardisation of professional education, it is still a herculean task to predict the rise and fall of the market; or for that matter at least certain segments of the market. This has been evidently proved by the global economic meltdown in the recent times. What then is amiss?*

*It has been felt that the management education, as it was, being intrigued by the idea of profit maximisation, deprives its students of the pleasure of hands on experience on the core socio-cultural norms -- the human way of life in a given constitutional set-up. As every business transaction being a human transaction, a person who is well equipped with the socio-cultural norms could emerge as a motivational leader with the dispositional properties that are necessary for producing the desired outcome. Hence, this paper focuses on the importance of intersecting the knowledge of Humanities and Social Sciences and that of Management Education.*

**Keywords:** *Sociology of Knowledge; Total Ideology of Life; Consumption-Pattern; Sociology of Consumption Behaviour; Science of Society.*

The civilisation of every age is unique. The history of human civilisation is a story of the primordial man's journey through many fierce grounds to the present cyber-centric way of life. The present state of human existence on earth seems more comfortable than that of our forefathers, with advanced mode of communication, transport, business transactions and so on.

Every civilisation not only tells us the story of heroes and villains, but also shows the imprints of a certain culture; and every society and the systems of thought have a culture. Needless to say, every culture is knit

with the fiber of language, customs, totem and taboo, costumes and values. This, in other words, means two things: Firstly, any change in the society is bound to change the fabric of culture as the individual fiber of the culture changes, and secondly, although every subsequent cultural fabric is built upon the substratum of the existing culture, over a period of time the substratum is bound to transform; and along with the substratum some of the core values also transform. This sort of radical change in human culture took place with renaissance and the scientific revolution of 17<sup>th</sup> century. The scientific revolution, in social systems, caught up the momentum with Darwin's discoveries in 19<sup>th</sup> century, followed by the works of Hegel, Karl Max and Freud till the early 20<sup>th</sup> century, and culminated in the Cybernetic revolution of the present day. Remarkably, most of the post-renaissance humanistic-social thoughts have been, in one way or the other, influenced by the scientific temperament of quantum mechanics, thermodynamics, and Einsteinian relativity theory. This indicates that the Social Science being Science of Society shares the same academic culture with that of Physical Sciences; although both the streams have different academic vocabulary.

Interestingly though, behind every socio-cultural change there are sublime causal factors. These causal factors often have its bearing on the economic status of the society and people; which in turn leads to a change in the consumption pattern of the people. Certainly, the consumption pattern of the people in the 17<sup>th</sup> century had been substantially different from that of the people in 21<sup>st</sup> century. But, the most fascinating enigma about the human psyche is that man is never contented with what he has, and is always on the lookout for something novel and distinct. This trait of man is motivated by the desire for comfort and elegance. As his inclination towards comforts and elegance incites him to travel through diverse routes in history, he often turns to the old systems of life and consumption pattern. Thus, from a consumer point of view, it can be said that history repeats itself, and that the Civilisation goes in circular motion. This being the case, T.S. Eliot is justified for his assertion in the Sacred Wood and the later connotations in the Four Quartets that the historical sense involves a perception, not only of the problems of the pastness of the past, but of its presence.<sup>1</sup>

Thus, for effective business operations, it is imperative that every Business Manager not only needs to know the consumer psyche, but also the socio-cultural system of a society in which the business becomes operational. As the mid-set of the consumer, (being motivated by the 'will to supremacy,' through comfort and elegance) keeps reeling to and fro the consumption patterns of the civilisations; it may lead the consumer to adopt

the consumption behaviour of an earlier civilisation or era. And once this consumption behaviour reaches a critical mass, then that becomes the new consumption pattern of that particular society or generation. This certainly has significance to the corporate houses for planning their business strategy. The knowledge of cultural fabric and that of the cultural fibers of a particular era would enable the corporate houses in predicting the consumer proclivity towards a particular consumption pattern; whereby overproduction can be avoided, and a smooth transition from the existing mode of production to the predicted mode of consumption-pattern-linked production could be achieved. But, this becomes possible only when the management graduates are equipped with the methods of Humanities and Social Sciences.

Furthermore, as the sociology of knowledge points out any growth and development, may it be scientific, social, political or economic, does not proceed in a vacuum. It is largely influenced by elements of the social habitat (Popper, 2012, 236). These elements are often hidden, and include the values and way of life of the people of a given society. Thus, the social habitat of a manager determines the whole system of his opinions and strategies, which appears to him as unquestionably valid; until he transcends the moorings of his social habitat and adopts the one in which his business is to be operational. And in order to effectively transcend the moorings of his social habitat, he needs to have the knowledge of transpersonal psychology and that of other social systems.

This is so, because the social habitat constitutes the total ideology of life, and the consumer being an intricate part of the social habitat tends to emulate the consumption pattern of one's peers. This in the language of the sociologist could be called the sociology of consumption behaviour. The sociology of consumption behaviour deals with the sociological description and explanation of the behaviour of aggregate of consumers, of a given society, at a particular period of time. The sociological methods, concepts and the data on social mobility, cultural lag, internal or external displacement, social integration, lifestyle changes, and achievement orientation could delineate the link between these latent contents and the consumption behaviour.

Further, from a strict management point of view, an Economic meltdown is often attributed to the outcome of a trade cycle. But, a proper analysis of the situation would reveal that in the process of maneuvering the business strategy, the corporate houses have either neglected the sociology of consumption behaviour or at least there has been non-observation of a certain essential socio-cultural pre-determinants for effective business operations.



The meltdown of any economy, may it be the national or the corporate, although depends on the investment policies, also has other variables that contribute to it; such as the international relations, the influence of a foreign culture on the consumption behaviour of the people, value system and so on.

The great depression of 1930s was a global financial crisis that affected most of the developed world; with some degree of variation in intensity from country to country. The great depression may have come soon after the collapse of the stock market, but that does not mean that it happened just because of this collapse. There were several other factors that contributed to this economic crisis. Some such factors were the overproducing industry, stifled trade, rising unemployment, failing banking system, ineffective government policies, improper international relations and such others.

Owing to this, and keeping abreast the recent economic crisis, it has been critiqued, right at the beginning of this century that the professional or the skill-based education, as it were, being intrigued by the idea of revenue maximisation, deprives its students of the core values of socio-cultural precepts that are required for free thinking, innovation and progression of an open society. Hence, every business transaction being a human transaction, it is important that the management education integrate various developments in Humanities and Social Sciences; such as Anthropology, History, Political Science, Sociology, Psychology, and Philosophy (in addition to Economics and languages). The educational scenario of our country has been undergoing some radical changes over a period of time. Currently the theme of education has shifted from conventional education to skill-based education. Much attention has been given to skills and job orientation. Yet, it is a fact that the sole purpose of education cannot be limited to skills alone. True education ought to promote free thinking that would lead to innovations and social transformation. Hence, our educational system ought to nurture the creative potentiality of the students, within the frame work of socially cohesive value system.

Here, taking a cue from Two cultures, the work of C. P. Snow (1962), it would be fit to argue that the breakdown in communication between the ‘two cultures’ of modern society – the Humanities and Social Sciences and Management Studies– is a major hindrance in solving the world’s socio-economic problems. And the compartmentalised world-views have turned into a pseudo *Weltanschauung* that imposes on students its concepts and categories, whereby marginalising his/ her mode of thinking, feeling, evaluating and planning.

Rather, the integration of Humanities and Social Sciences with Man-

agement Education would help the potential managers in understanding the methods of comprehending the growth and flaws of civilisations from History; the culture and traditions of a society from Sociology and Anthropology; the intricate structure of human cognition and behavior from Psychology; the analytic skills required for business strategy and ethics from Philosophy; International relations and the changing political ideologies, and its impact on the economies of scale from Political Science, the personality traits and lifestyle of people of different era, from Literature, and so on. This would not only help the management graduates in developing a realistic business strategy, but also help them in accurately predicting the operational outcomes; because, as it has been mentioned earlier, Social Science being a Science of Society emulates the paradigm of pure sciences; and the paradigm of pure sciences include objective verifiability, refutation on counter-factual evidences, prediction and control of events. Thus, the time has arrived to interface Humanities and Social Sciences with Management education, and to derive sustainable benefits from the inputs of each other.

This, in other words, means that there is a necessity to inculcate the knowledge of social systems, and that of socio-cultural values, into the mind-set of the students of Management Education. In a similar vein, the teaching-learning domain of Humanities and Social Sciences needs to skillfully integrate the strands of time-line management, the proficiency in human resource management and strategic planning from the management education.

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## ***Endnotes***

- <sup>1</sup> The Four Quartets deals with the idea of consciousness and its relationship with Time and Being. Unlike Husserlian Dasein, Eliot considers the idea of Time as it were a wall on which the being staggers, or rather explores the evolutionary dimensions; in this sense time is constrained of fluidity and continuum. Thus, within the framework of time and being, the Four Quartets caters Eliot's insights into an individual's psychological, philosophical, spiritual, and the socio-cultural historicity; as it address an individual's spiritual inclinations, personal experiences, and the connection between the present and the past. In this sense the Four Quartets is a reiteration of his earlier work Tradition and the Individual Talent, in Sacred Wood (1920).

## **The Significance of Knowledge Capacity Building Management in Higher Education**

GITA JAISWAL

### **Abstract**

*India's higher education is a one way traffic; it only produces. This is one major factor why the Bachelors and Masters degree holder are unable to meet the job demand of the business world. What is needed is a higher education system that prepares student that meets the two-way learning, and capacity building where both the teacher and the student are providers and consumers of knowledge in a collective way as they are in constant interaction with each other inside the classroom as well as outside. Looking into these assets, the concept of knowledge and capacity building management in Higher Education has emerged which gained significance some two decades ago. This concept signifies that a set of practices which enables organization to collect information and share what they know, ultimately leads to adoption and improved outcomes. The proper utilization of brain power in an organization in a systematic and organized manner is designed to produce the best outcome. The concept clearly reveals that teaching should no longer be confined to the classroom only, and the wholesome and beneficial theoretical classroom knowledge must be exposed to the students outside the boundary of classroom with the final objective of accomplishing the task of implementing the capacity building development. To see that knowledge and capacity building management in higher education are successfully implemented, it is necessary that agents like management consultants, researchers, universities, technology firms etc. work together. Each of these agents has a big role to play.*

**Keywords:** *Higher Education; Capacity building; Knowledge; Building management; Skill development*

### **Introduction**

The pattern of human behaviour, emotions, beliefs and technologies constitute a civilization. Since these four elements are constantly changing, civilization changes. A country may have a glorious past but the present and the future is for us to handle. The past is yesterday, today is ours; for tomorrow, we have to shape today. Moreover, the true test for a country and its civilisation is not the size of its population nor its passive resources, but the quality

of human resources the country produces. In this horse trade of globalized world, when the whole world is staring at India's demographic dividend, India must gear up all its weapons to reap the fruits or the so called dividend may die a natural death or may go out to other countries. Of all its weapons, India's most potent weapon that must be strongly shaped is the knowledge and capacity building management in higher education. In India, seniority in most cases is considered as a dignified status, but the knowledge mood of the present world believes that 'creativity' must drive faster than dignified status. It is true that education must develop the mind, body and soul of a person. A creative mind has the capacity to survive any adversity. Besides inculcating such education, the knowledge of courtesy can be derived. All these are valuable intangible assets that can boost not only the knowledge able man but also others. The business world is in need of such people. Capacity building before job and between jobs can enhance the productivity of the industry or institutions. It is a quality man who is qualified produces quality institution and they together can make a quality nation.

Winston Churchill (Priya Ranjan Trivedi, 2007, 180) once stated that "The empires of the future will be the empires of mind." His statement continues to be true even in this globalized period. Even though India had focused on the development of higher education ages ago, and there has been phenomenal growth in this area in terms of general and technical education, yet all was/is not well. Major limitations shroud our higher education. This has to be cured.

For Charles Darwin (Selvam S.K. Panneer, 2010, 43) "It is not the strongest of the specie that survive, or the most intelligent, but the ones most responsive to change." Today, India has to go through different process of changes to compete at a global level.

Before we proceed any further, it is necessary to go through the concepts related to the topic. There are three key words: Knowledge Management (KM), Capacity Building Management (CBM) and Higher Education (HE)

### **Higher Education**

The university education or higher education is the third stage of total educational system. After completing primary and secondary education, a student enters the third phase, i.e. tertiary education. This education aims to produce able citizen who can take up the job of building the nation in different fields. It includes both formal and non-formal and general and

technological education. It seems imperative to mention that the first University Education Commission (1948-49) under the chairmanship of Dr. Shri S. Radhakrishnan had briefed the aims of higher education. As per the commission, there were 9 (nine) aims.

- a) To produce able citizens;
- b) To preserve and develop our culture and civilization;
- c) To create new ideas favourable to everyone and discard superstitions;
- d) to develop all kinds of knowledge;
- e) to develop the spirit in students for ensuring equality, fraternity and social justice while maintaining the integrity of the nation;
- f) To develop the mind and soul of the student;
- g) To instill moral values and make the student well disciplined;
- h) To develop the spirit of brotherhood and internationalism in students, and
- i) To help in making new discoveries and invention, to develop new ideas.

Today after 66 years of Dr. Shri S Radhakrishnan commissions, these nine aims are still missing in our educational system. If our primary education or secondary education fails to instill these aims, it is no wonder that higher education has failed too. Moral values, ethos, discipline, etc are those intangible values which a man can retain through out his life if they are instilled in him by his parents and by his school teachers. These parts are highly missing in Indian homes. Quality has to be instilled; it is the touchstone of higher education.

### **Knowledge Management**

Knowledge Management (KM) is the second key word. Knowledge is an important intangible asset which is earned through education and research. In other words, knowledge is the output of education and research, but knowledge in itself is of no value unless it is used in a proper way for people or business benefit. The word management, therefore, comes into the picture, i.e., how to manage knowledge. Management is the process of capturing, storing, processing/ analysing, and communicating the new knowledge created by an academician or researcher. Knowledge Management is a new

term in education field. Metcalfe in 2006 (Selvam S.K. Panneer, 2010, 197) stated that knowledge management has been borrowed from corporate sector such as business management. According to Kidwell et. Al. (2001), Knowledge Management seeks to transform information and intellectual assets into enduring value. If Kidwell's notion is taken into account, the Knowledge Management is expected to enhance institutional innovation and thereby re-engineer social transformation.

### **Capacity Building Management (CBM)**

The third keyword is Capacity Building Management (CBM). We know that the most active capital in this world is human being. What will be the use of money and passive natural resources if men do not use them. Since man has the capacity to think, to absorb, to master, to apply his thought, create new knowledge, it is therefore, man who can monitor works at different level, viz, to help produce knowledge workers, knowledge communicators, knowledge creators, and knowledge technologists. This human product can provide quality professional services to corporate sectors, intuitions, etc. There are two dimensions of Capacity Building Management, i.e., to create a new person who will have knowledge and to provide training to the existing human capital. However, in India, such educational system is highly lacking. In India, most of the modern Indian universities have been established as per European models. Even though the Government of India (GoI) tried to boost its higher education, it still continues to allocate a very small percentage of gross domestic products on education. By 2000, The Government of India was on 4% of GDP and still was hesitant to increase to 6% as was recommended by the Education Commission way back in 1964-66.

India's higher education is a one way traffic, it only produces. The major failure of India's educational system is that it produces bachelors and master degree holder in general terms without any skill formation experiences. These educated armies are unable to meet the requirement of today's business world. What is needed is: a higher education system that prepares such syllabus and imparts it to students in such a way that both the teacher and students becomes the provided and consumer of knowledge in a collective way inside the classroom and outside.

### ***Objectives***

The main objectives of this paper is to pinpoint the major shortcomings of the European model of education that India is pursuing and the urgent need of adopting and implementing an universal higher education system

in the country that can meet the challenges of the present globalized world. An education system should impart not only quality knowledge but also provides skills and career oriented professional courses. The importance of knowledge management and capacity building management increases further when we see that next to China, India has the largest demographic dividend.

### ***Methodology and Database***

The study is purely analytical in character and is based on secondary data.

### ***Analysis***

Even though the concept of knowledge and capacity building management gained significance some two decades back, yet a similar thought was expressed by the chairman of the first University Education Commission (1948-49). Dr. S. Radhakrishnan (K.K Deka, 2005) had stated that "dissemination of learning, incessant search for new knowledge, unceasing effort to plumb the meaning of life, provision for professional education to satisfy the occupational needs of our society are the vital tasks of higher education" some sixty years ago.

The breakdown of the erstwhile U.S.S.R., emergence of free market economy and India's liberalization of its economy were the important events of the nineties. The world seems to have become a global village and market economy became too competitive. The phenomenon progress made in information technology has challenged the traditional education too. The new emphasis was learner-centered as well on a life-long education. This has opened new vistas and new demands to upgrade/change the higher education at par with the demands of the corporate market. Worldwide, the need of higher education to meet the changing demands is being clearly felt. In the world conference on Higher Education (HE) held in Paris in October 1998, the UNESCO adopted a policy declaration that Higher Education is faced with great challenges and severe difficulties thought out the world in relation with finance, accessibility, equity, enhancement and preservation of quality in teaching, research and extension, relevance of programmes, employment of graduates, and management of institutions. However, Higher Education also created new opportunities in terms of expanding the accessibility of information and technology due to innovations in technology and growing knowledge economy.

In this globalised world and growing knowledge economy, it is highly important to promote Higher Education in terms of quality, accessibility.

Public funding of Higher Education especially in a developing economy like India is highly needed.

### **India's Stand on Higher Education**

India's former President Dr. A.P.J. Abdul Kalam in one of his address on Higher Education had expressed his views on the "Concept of World Knowledge Platform". Dr. A.P.J. Abdul Kalam (Selvam S.K. Panneer, 2010, 50) had reiterated that the convergence of technologies will lead to the creation of world knowledge platform (WKP). This WKP can enable joint design, development, cost effective production and marketing of the knowledge products in various domains based on the core competence of partner nations to international market. This platform is expected to be the meeting place for science, technology, industry and management. To see that these missions are achieved, a Global Human Resources Cadre has to be generated.

It is well known that the process of economic development of a region or country is directly connected with the expansion of industrial and tertiary sectors. The type of human resources needed for these sectors are to be professionally skilled and well trained. As such, the development of professional courses to meet the growing demand of such human resources is very important. This is one of India's biggest challenges.

Why India must focus on Human Capital Development? Will it cater to the needs of the Corporate world? Capital can be both human and non-human. It is the former capital that can activate the latter one. Physical capital on its own is passive. Through human capital formation of a nation, the process of acquiring, the process of skill formation and the total development of manpower can be made. All these are pre-requisite elements for the socio-economic and political development of a nation.

As per economic survey 2012-13, at the time of India's Independence (1947), there were 20 universities, 500 colleges and 0.1 million students. By 2011-12, India had 690 universities and university level institutions, of which 44 are central universities, 306 state universities, and 145 state private universities, 130 deemed universities, 60 institutes of national importance plus other institutes, and 5 institutions established under state legislature Acts. Even though there has been a phenomenon growth of institutions in higher education, yet its growth could not capture our increasing youth. The need to capture these youth has been felt by all. India is still not able to increase its investment even upto 6 percent of its GDP. This is a sorry state of affairs.



## Reasons why India must focus on Knowledge and Capacity Building Management

The main reasons why India must focus on knowledge and capacity building management can be briefed in this way:

- i. If India has to increase its economic productivity and the well being of its citizens, India must focus on the creation of knowledge, for it has high utility in the process of economic growth. To make Indian higher education more effective, India has to make its own education system as per to meet the demand of the market economy; and to keep its high qualified people at home. i.e., to reduce brain drain. India must choose between high brain drain and high remittances or low brain drain and utilization of those brains at home.
- ii. India along with the whole world is experiencing infinite changes due to the impact of new technologies in this globalised age where foreigners are entering the Indian education market. To compete with the situation skill development is the need of the hour. If we do not change our system at the earliest, more innovative universities from other countries will take our place.
- iii. India at present produces manpower which is ill-equipped to meet the needs of the community, service and industrial world. The corporate sector is highly in need of technical and vocational skill development leading to gainful employment.
- iv. Looking into the demographic dividend of India, it is imperative to encompass more students' enrolment in higher education. India has only about 8 to 9 percent of its relevant age-group enrolled for higher education as against 50-85 percent in developed countries (Radhakrishnan, 2006) (Selvam S.K. Panneer, 2010, 68). A good part of India's population remains away from higher education. It is, therefore, important that higher education should become an agenda of the Government of India, more so when in this period of globalization, the illiterates are misfit in the process of the country's development.
- v. This is the age of knowledge expanding industry; it is doubling itself in less than five year. New fields of study requiring new professional skills are being generated everyday. Thus in the fast changing world of knowledge, India must take action to do the needful and walk with the world.

vi. To stop heavy brain drain taking place from India, it is important to take appropriate steps to prevent this brain drain by providing proper facilities and attractive jobs in the home country itself.

To summarize the reason why India should go for rapid higher education, the major conflict before the country is:

- a) Global vs Local
- b) Tradition vs Modernity
- c) Universal vs Individual
- d) Others

To summarize this section, the need of the hour is to give fresh look to our higher education and make it more fruitful by making higher education meaningful, productive, quality and market oriented and all along education should excel. Any resistance will not only harm our economy but also will force our demographic dividends to fly over the boundary of India.

### ***Suggestions and Conclusion***

India must begin seriously the framing of a knowledge strategy as it is a prelude to knowledge and capacity building exercise. According to Anita Ramachandran, founder of Carebrus Consultants, an individual's personal competencies and attitude are key drivers to career planning. Planning a career in today's fast world is indeed a challenge.

India needs a large number of talented youth with higher education for the task of knowledge acquisition, knowledge imparting, knowledge creation and knowledge sharing. As such, Indian universities and educational system should create an army of skilled and knowledge based youth and an army of higher educated youth at par with the world. These two cadres of personnel will not only be needed but will be empowered to run the manufacturing and services sector in India and will also be required to guide or for fulfilling the human resource requirement of any country in the world. Our universities, academics specialists, colleges, etc have to work harder to produce such world level talent in abundance. This task is in itself important, more so when we glance at our demographic dividend which is expected to stay only up to 2045. Since demographic dividend on its own cannot do much to increase the economic growth of a country, these dividends must be skilled and educated qualitatively.

The issues at hand and especially its concepts are not very new, but an

old one. What is new is the stress on capacity building management that people have started giving worldwide today. T.W. Schultz's (R.K. Lekhi, 2011, 23) comment on this issue fits the Indian scenario. To him:

“It is as if we had a map of resources which did not include a mighty river and its tributaries. The particular river is fed by schooling, learning on-the-job, advances in health and the growing stock of information of the economy.”

There are stocks of such quotations, but what is its utility if a nation does not learn it or is bent on not learning. Building up higher education at par with the globalized world is a challenge; the present intellectuals, government etc must promote the qualitative development of higher education by overcoming all challenges.

***Some major remedies are***

1. The higher education institutions, guided by the University Grant Commission and Human Resource Development should opt for such curriculum to suit the demand of the time that focuses towards gainful employment and not only to create knowledge. Both the government and universities must identify such courses as an alternative education that can solve the acute problem of unemployment. This will decrease poverty rate and help in building up HDI too.
2. Higher education institutions should opt for systematic approach to identify such skills that are job oriented, and knowledge and competencies. Skill based education may begin from Higher Secondary Leaving Certificate (HSLC), Intermediate and provision for even drop out students be made. It is also necessary to identify a variety of skills through the assessment study in industrial sector, commercial and service sectors. To meet the demand of skilled oriented jobs, through appropriate training and supplying the youths in appropriate job place is highly needed.
3. The courses should be inter-disciplinary and the focus should be not only on courses but also in instilling intangible assets like honesty, punctuality, quality work, quality knowledge etc so that the employee is able to produce good output. Further, the contents should integrate theoretical and practical issues, field work, technological knowledge, etc. Integration of communication skills and computer knowledge be taken into account. Focus be made more on those courses that are highly demanded.

4. Courses should aim at employability, this will help in checking rural-urban out migration. Such courses would help to establish small business development, this will help in driving away poverty and boost economic growth to a great extent and also promote HDI. Moreover India has high scope in manufacturing industries.
5. Local industries should be linked with vocational institution in even designing curriculum. Higher education institutions can get good information about what skills are needed from the industry, etc. Throughout the process of curriculum designing, development, delivery and evaluation, members of universities, experts, industry personnel, etc should be taken into account.

Once this process is over, implementing the programme, reaching out to maximum youths, building right attitude between the teacher and student, building up capacity through knowledge, skills, technology etc will obviously give good results.

All these steps are expected not only to boost our higher education at par with the demands of the global economy or corporate sector, but it will also help in bringing down poverty and unemployment and help in building rural sector, promote HDI. Declining poverty is necessary to control India's bulging population. However, all along this process, most Indians should not forget that to reap good fruits, we must also sow good seeds. Thus, at every stage honesty, zeal, integrity and good intangible assets are needed. This means India must bombard corruption, mismanagement of funds, poor governance, unaccountability and all evils that shroud our country like a black cloud.

Let me conclude this paper with the beautiful words of our ex-President of India A.P.J. Abdul Kalam (University News, January 00-12, 2003, 16). To him, these words were like a divine massage:

“Where there is righteousness in the heart,  
There is beauty in the character.  
When there is beauty in the character,  
There is harmony in the home.  
When there is harmony in the home,  
There is order in the nation.  
When there is order in the nation,  
There is peace in the world.”

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## **A Study on Managerial Decision by the Business Managers - A Cultural Perspective**

G.P. BHANDARI

### **Abstract**

*This paper has tried to emphasise the importance of understanding cultural variables in business context. Business managers are the policy makers in a company for business expansion and to earn a handsome profit. While making policy for business, cultural aspect is as equally important like any other aspects of business. A company which sets out to do business in an unfamiliar environment, business might face several problems if proper exercise is not done from this point of view. In the current world of International business multinational companies agrees that cultural dissimilarity is one of the critical areas that come across by them. In the expansion of business, manager's miscalculation to understand the cultural differences might have dangerous consequences in business. Given paper has tried to see the situation collecting various facts and figures.*

**Key Words:** *Cultural; Business Managers; Decision Making; Cultural Constituents; Cultural Ignorance.*

### **Introduction**

A country or a society is bound by the culture it preserves. In the past, the culture as a factor in business was not taken seriously. However, in the modern world of international business, industrial captains and business managers have started stressing on the importance of a society, region or the country, so that business functions smoothly. A company which sets out to do business in an unfamiliar environment, business might be faced with several problems if proper exercise is not done. The current world of International business, multinational companies agree that cultural plurality is one of the critical areas that they come across by them. In the expansion of business, manager's miscalculation on understanding the cultural differences might have dangerous consequences on business. In recent times,

business is a social establishment which forms an integral part of the social system. Davis and Blomstorm observed that business is a “social institution, performing a social mission and having a broad influence on the way people live and work together.”<sup>1</sup> Again they observed that, our modern view of society is an ecological one. Ecology is concerned with the mutual relations of human populations or system with their environment. It is necessary to take this broad view because the influence and involvement of business are extensive. Business cannot isolate itself from the rest of society. Today the whole society is a business environment. Business activities greatly influence social attitudes, values, outlooks, customs, etc.

Today, cross cultural understanding has become very important because it has a greater impact on global business practice. As the scenario of globalization is widening day by day, it has become necessity for the managers to acquaint themselves in multi-cultural environment. In India, post 1991, the Indian economy and business environment is bending more towards liberalization and globalization. It indicates that there is a rise in awareness of cross cultural understanding for strengthening business in the country and in internationally. There is a necessity for strengthening of human resource with domestic and global business skills and knowledge in a cross cultural environment. At the same time the advance of management education and training has added to the growing professionalization and social orientation of business.

### ***Review of Literature***

Some of the literature reviewed for the present study is as follows:

According to E.B. Tylor (1871) Culture of civilization is that complex whole which includes knowledge, belief, art, morals, law, custom and other capabilities and habits acquired by man as a member of society. Again, according to the noted Dutch writer and academician Prof. Geert Hofstede (1980) Culture is the software of the mind- the social programming that runs the way, we think, act and perceive ourselves and others. In other words, our brain is simply the hardware that runs the cultural programming. The culture is not innate but a learned behavior and hence can be changed. Therefore, organizations with employees from many cultural and ethnic backgrounds could face serious problems when trying to achieve a coherent business culture (Schultz 1995). Similarly, according to Kottak (2002) the spread of capitalism and monetary economies threatens the way of life for many less complex societies in a process known as cultural imperialism. Wm Benjamin Martj Jr. *et al* (2005) emphasized that the area of

entrepreneurship is suggested as a key factor for a successful business environment. Business Schools around the world offers courses emphasizing entrepreneurship. But the perception of an entrepreneurship differs across cultures. The entrepreneurship life style is perceived, rewarded, acknowledged differently across different cultures based upon cultural norms. Their paper delivered a significant result from a set of data collected over two years from three countries i.e U.S.A, UK and France. Khairullah and Khairullah (2013) in their paper, based upon discussion and information provided by 22 senior managers at multinational corporations in China, discussed related to doing business in China. The five different cultural dimensions of Hofstede and Hofstede and Bond schema and their implications particularly on the decision-making process by international managers were discussed. In addition the paper reviewed and reinforced scholarly research on Chinese culture and the business practices in China and in other countries. The paper contributed valuable information to managers who planned to do business in China. Again, Akcay and Sun (2011) in their paper studied on cross-cultural analysis of gender differences in product color choice. The data collected for the study purpose were from six different countries i.e Canada, U.S.A, Netherlands, China, Turkey and India. The result of the study indicated that product color is very important in women for product like clothing, hats, bathing suits, house paints etc. Color is more important for men in product such as digital cameras, beverages, tooth brushes and mouth wash etc. The study found that in color, gender influence is very strong in Canada, China, India and Netherlands whereas in U.S.A and Turkey there is weak gender effect. Udbong (2010) in her study observed that businesses all over the world nowadays are extending their frontiers beyond domestic markets. In these global business environment, cross cultural negotiation becomes a common field of research. It is due to the fact that the negotiating parties are often from different countries, with different cultural values and beliefs which they usually bring with them to the negotiating table. What is communicated, how it is communicated, how people think and behave during negotiations can differ across cultures. The conclusion reached is that effective international negotiators need to know not only the fundamentals of negotiation, but also how culture can influence the negotiator's behavior and the negotiation agreement. Understanding, accepting and respecting the cultural values of the other party is therefore, very important because it could bring successful outcome.

### ***Methodology***

The current study is based on the review of literature on aspects such as cul-



ture and cultural dimensions in business. To make a relevant study several research articles and reference literature are reviewed. By and large analysis and conclusion was drawn out based on the reviewed literature findings. At the same time to understand the opinion on various cultural elements in business decision a field survey was done and data were collected from MBA final year students, who were already selected by different companies for various managerial portfolio. The findings of the survey are shown in table-1. Also a 't' test was conducted to know whether there is a difference of opinion among the male and female members in ranking the various cultural elements.

### ***Objectives***

The basic objectives of the present study are shown in the following:

- i. To understand the important constituents of culture and their impact in business.
- ii. To have an idea of consequences that may crop up when cultural element is ignored in business decisions by the managers.
- iii. To understand the opinion on various cultural elements of our aspiring future Managers.

### ***Hypothesis***

**H<sub>0</sub>**- There is no difference between the male and female members opinion in the ranking process of cultural components.

**H<sub>1</sub>**- There is a difference between the male and female members in opinion in the ranking process of cultural components.

### **Major Constituents of Culture and Their Impact in Business<sup>2</sup>**

A culture is an integrated sum of learned behavior shared by group of people that differentiates it from others. Although, variety of learned traits influences human behavior, but amongst them the major constituents like value system, norms, aesthetics, customs, traditions, language and religion are highly significant.

- a. Value system: Values are those which a society considers good or bad, right or wrong to its group. These are learnt by a person during his or her up –bringing, influencing one's behavior. Ultimately, business behavior is considerably affected by society's value system. Several studies show that value patterns vary among managers across countries. For example,

US managers are high-achieving and competition oriented. On the other hand, Japanese managers have strong emphasis on size and growth and high value for competence and achievement. Similarly Indian managers have moral orientation and a strong focus on organizational compliance. All these difference are there due to different value system of the society where they are part of. It indicates that upbringing in different societal environment creates different value system and this need to be understood by managers in product marketing, dealing with the employees, recruitment procedure etc.

- b. Norms: Norms are the social rules which points out right behavior in a given situation in the society. Social norms affect consumption pattern and habits. For eg., Indian and South Asian use spoons while eating. Chinese and Japanese use chopsticks as the meat is pre-cut to small pieces while Americans use knives and forks to cut the meat on the dining table. In business decisions modern managers must need to distinguish the norms applicable to a different culture. They must be able to differentiate between what is acceptable or unacceptable to a particular culture and familiarize themselves on cultural tolerance.
- c. Aesthetics: Ideas and perceptions that a cultural group upholds in terms of beauty and good taste is referred to as aesthetics. Aesthetics play an important role in consumer decisions for which managers need to understand the perceptions of people in different societies. For example, Black colour signifies death to Americans while in Japan white represents death. Similar situation arises in various tribal communities of our country. Over all, in business decisions if the aesthetics sense of the people in different culture is understood, business expansion and the profit accumulation scope become advanced in the long run.
- d. Traditions and Customs: It can be said that traditions are elements of culture passed on from generation to generation. Similarly custom is an established pattern of behavior in a society. It is important for managers to have knowledge of customs and traditions and appreciate them enough to integrate the strategic response in the business strategy. For example, in India ghee (milk fat) is the most important constituent of milk and sells at a premium price. On the other hand, in developed countries, defatted milk is preferred and costs higher than milk with fat. Similarly in the non-tribal society cows are reared from the point view of getting milk and in many tribal societies, their importance is more on meat than milk.

- e. Language: Language is a means or medium for communicating ideas or feelings. It also denoted the obvious point of difference in cultures and differs from among nations and regions. As India is a multi-lingual, this poses a considerable challenge even in business context. The RBI uses 15 other languages in addition to English and Hindi in its currencies so as to communicate better within the country. Field survey in rural areas in local language brings better result. On the other hand, using English or Hindi may have marketing blunders.
- f. Religion: Religion is a vital constituent of culture. Religious beliefs influence business decisions. Major religious festivals such as Christmas in Europe, Ramadan in Islamic countries, Diwali in India and Nepal provide major business opportunities. Similarly, in today's real estate business it is often said that business managers have started taking serious concerns by incorporating Vastu Sastra while constructing buildings so that better price and demand could be realized in the market. Again, many business decisions in India are based on horoscopic advices. These include, decision-making regarding location of the enterprise, name of the firm, brand name etc. Marriage and naming ceremony of the child, festivals etc vary significantly between religions which effects business like Textiles, Jewellery, Consumer goods, etc.

### **Cultural Ignorance and Its Consequence in Business**

Ignorance of culture might have a serious effect for business, which needs to be given importance by the business managers when planning business strategy. In the following section, some of the examples are referred regarding the consequences that arise when cultural aspect is not researched properly. All the referred examples were put forward from the work done by several researchers and the writers on the cultural aspect of business. Some of the serious consequences that took place are as follows-

- i. We know that Arabic language is read from right to left and many Arabians sequence things from right to left. A multinational company committed a blundered in the Middle East when the advertisement of its detergent was pictured soiled with clothes on the left, the box of detergent in the middle and clean clothes in the right (Rakesh Mohan Joshi, 2011).
- ii. Another example is regarding the case of McDonalds (2001) which came on the news for using beef extract in cooking its fries in a country where majority of the population is Hindu and the cow is sacred

and worshipped. Angry mobs in Mumbai vandalized McDonald outlets. On the same day, McDonald India sent samples of the fries to leading Indian laboratories for testing. Besides this McDonald adopted prominent posters in its outlets stating 100 per cent vegetarian French Fries in McDonald India and ‘no flavours with animal products are used for preparing any vegetarian products in India’. Consequently, McDonald emphasized on adopting a more vegetarian –friendly menu and became more sensitive to Indian culture (Rakesh Mohan Joshi, 2011, p.265).

- iii. Proctor and Gamble on introducing vicks cough drops in Germany learnt that v is pronounced as f in German, a vulgarity of the word vicks. Immediately, P&G had to change the name to Wick in the German Market.
- iv. In Iran advertisements are to be cleared by Islamic censoring authorities. Islam prohibits its people from shaving. The Gillette Company found difficult to place its Gillette Blue II razor in Iran. It takes much effort to make understand to a newspaper manager that sometimes shaving is essential like during head injuries from an accident.<sup>3</sup>
- v. Chevrolet’s highly popular US Car Nova failed miserably in Latin America. Later, the Company found that ‘no va’ means ‘no go’ in Spanish. It had to rename its car Caribe for the Spanish Market (Rakesh Mohan Joshi, 2011, p.264).
- vi. Parker pens US marketing slogan for its ink, ‘Avoid embarrassment-use Quink’ boomeranged in Latin America as its Spanish Version ‘Evi-teembarazos- use Quink’ meant ‘ Avoid Pregnancy-use Quink’(Rakesh Mohan Joshi, 2011, p.265).
- vii. All Islam population are expected to consume meat obtained through halal. India’s 2nd largest manufacturer of hard gelatin capsules, Medi-Caps limited (ISO 9002 certified Company) to cater Islamic markets, it manufactures Hala-Caps especially for Muslims across the world. Since the gelatin is derived from animals, Muslims had to be ensured that these are not just halal but also slaughtered according to Islamic procedure (shariah). Medi-Caps manufacture Hala-Caps only from halal gelatine procured from Halagel, Malaysia. It has certificate of genuine halal from the Islamic Development department of Malaysia. Besides, the process of manufacturing the halal gelatin capsules has also been certified by the Jamiat Ulama-e-Maharastra. The company has witnessed considerable success in marketing its halal products in Islamic countries, especially

in the Middle-East (Rakesh Mohan Joshi, 2011, p.74, p.273).

### **Analysis of Primary Information**

Table-1 shows the analysis of the primary facts collected by the researcher. Although there were several cultural factors given for ranking in five points likert scale, some of the major factors which are found to be important to the managers are shown in the table with their average score and the corresponding rank. It is observed that components like knowing social values and norms played the most important role for managers in business decisions formulation and factors like knowledge about local languages and preference for foreign or domestic product played less of role in business decisions within the key cultural components revealed.

**Table-1**

#### **Ranking of Major Cultural Components in Business Decision Making**

<b>Sl.No.</b>	<b>Factor</b>	<b>Average Score</b>	<b>Ranking</b>
1	Knowledge about social Values and Social Norms by the Managers	4.2	1
2	Understanding Religious Sentiment of the customers while placing product in the Market	4.15	2
3	Knowledge about Traditions and Customs	3.95	3
4	Having the Aesthetic sense of the customers by the Managers	3.90	4
5	Mindset of purchasing decision	3.7	5
6	Knowledge the local language by the Managers	3.45	6
7	Managers to know about preference of the consumers for domestic or foreign product	3.05	7

*Source:* Field Survey

It is also tried to see whether there is any significant difference between

male and female members opinion in the ranking of major cultural components? In order to see the difference between male and female members, data were taken separately and the ‘t’ test was conducted. The result is shown in table-2. It is observed that calculated ‘t’ Statistic is -0.46 which is smaller than the table of value of 2.14. It indicates that there is no significant difference between the male and female members in opinion, in the ranking process of various cultural elements. Therefore the null hypothesis is accepted.

**Table-2: Male and Female Opinion in Ranking**

t-Test: Two-Sample Assuming Unequal Variances		
	Male	Female
Mean	37.25	38
Variance	26.93181818	2.4
Observations	12	6
Hypothesized Mean Difference	0	
df	14	
T Stat	-0.461216046	
P(T<=t) one-tail	0.325863796	
T Critical one-tail	1.761310136	
P(T<=t) two-tail	0.651727591	
T Critical two-tail	2.144786688	

*Source:* Calculated by the Researcher on the Basis of Male and Female Respondents Data

### ***Limitations***

The study would have been more appropriate if primary data were collected from experience managers of selected companies in the country and their opinions about role of cultural components in business decision making. Obtaining larger number of samples from different industries often ensure more reliability and validity of the study. However, in the present study it was not possible to do so due to time and resource constraint.

### ***Conclusion***

From the study it can be concluded that while making business decision, managers need to pay attention to the cultural variables. Business policies and procedures need to be shaped by the managers in such a way that it complies with the culture of the people. Managers need to study the culture and understand consumer’s choice from different aspects of culture. In do-

ing so, it will garner healthy decision-making on the part of the managers and to mold the product as per cultural preference of the people. Knowledge of cultural influences can make managers more effective in dealing with their assistants, contemporaries, and negotiating partners in other regions or country. It would also help managers in business operations and in predicating the macro-environmental factors in a broad manner. The present study was analysed on the basis of the exiting literature and primary data. Future research with authentic data samples from the various companies can add insight to the study and overcome the present limitation.

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### ***Endnotes***

- <sup>1</sup> [http://www.bitsvizagmba.com/studymm/Principles\\_of\\_Management\\_\\_Organizational\\_Behavior/Principles%20of%20Management%20&%20Organizational%20Behavior/Lesson%2002.pdf](http://www.bitsvizagmba.com/studymm/Principles_of_Management__Organizational_Behavior/Principles%20of%20Management%20&%20Organizational%20Behavior/Lesson%2002.pdf), p.34
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## **Life Skills: Managing Life and Career**

DUGGIRALA SESI

### **Abstract**

*To cope radical changes Humanities and Social Sciences are not only essential pre-requisites, but to sustain their relevance in Management Education, both Humanities and Social Sciences have to expand their horizons and imbibe new ideas to formulate a new set of skills to pass on to wannabe corporates. By a new set of skills, I definitely mean Life skills and capacity building through enhancement of personal and professional development for managing job demands and lead a happy and well contented life. Not only does a student of technology need to understand the importance of economics and finance in order to make technology viable, but one should also develop the requisite professional ethics, communicate with people, and understand social pressures and organisational structures. Hence integration and incorporating Humanities and Social Sciences in technical education is necessary in Management Education.*

**Keywords:** *Business Ethics; Neuro Linguistic Programming (NLP); Soft Skills; Life Skill; Education; Management*

In a lecture delivered at Viswa Bharati University in 2006, entitled 'Education for Global Citizenship' the American socio-political thinker, Martha Nussbaum cautioned about the Universities in the west who sought to remove the study of Humanities from their core undergraduate curriculum. While we may contend that Prof Nussbaum's apprehensions may appear alarmist, which those involved in the dispensation of Management Education are seldom guilty of, yet we must ponder whether the Humanities and the Social Sciences which have been so thoughtfully included in the curriculum which we as theoreticians and practitioners are concerned with, are being ably implemented<sup>1</sup>.

In a world not less bloody but more uncertain, Management Education or more euphemistically sounding Education on Management needs perhaps a thorough re-look. In a workshop on Practising Humanities and Social Science in Management Education at St. Gallen University in Nov

2012, it was argued that the scope of Humanities and Social Sciences ought to be widened with an emphasis to underscore the future contour of Management Education. It was further deliberated whether a middle path be chosen between liberal education with an emphasis on ethical responsibility or a specialised and practice oriented profile with an emphasis on technical skills.

At a workshop at Copenhagen Business School, speakers advocated the business leaders be educated not only in the financial methods of business, but also for the societies and the people they have an impact on.

Closer home at IIT Guwahati in Nov 2005, it was stated that technology and the sciences have to function within the societal and human framework. Not only does a student of technology need to understand the importance of economics and finance in order to make technology viable, but one should also develop the requisite professional ethics, communicate with people, and understand social pressures and organisational structures. Hence integration and incorporating Humanities and Social Sciences in technical education is necessary in Management Education. Social Sciences including Social psychology, sociology, anthropology, philosophy have contributed to Management Education as applied systematic study- looking at relationships, attempting to distribute cause and effects and drawing conclusions based on scientific evidence.

While the so-called 'soft' themes like Business Ethics and Corporate Social Responsibility have found their way into the curricula of most contemporary business schools, the question arises as to how corporate and organisational self-regulation can be integrated into a business model a step further, concentrating on the philosophical questions and dilemmas that arise within the different disciplines. Drawing on both classical and contemporary philosophical theory, one needs to focus on things as the existential and ethical challenges of work-life, the humanity of Human Resource, the concept of money and profit aesthetics of an organisation. A deliberation on these issues lead one to face the obvious that all this sounds too good to be true or rather too true to be good, and leads to the inevitable question as to whether the role assigned to Humanities and Social Sciences have been able to withstand the uncertainties which business organisations face as a result of the vagaries of the market. Both Humanities and Social Sciences owe a great deal to the enlightenment project with its emphasis on human rationality and with both having taken a beating. Thanks to the unseemly events of the 19th and 20th century, any notion of their contribution

to management education remains a million dollar question. At the cost of sounding naive, I dare say they do. Humanities with its liberal background and Social Sciences with an emphasis on its normative approach would perhaps give business education the necessary impetus required to cope in an uncertain, ever-changing environment. Perhaps this is what Steve Jobs had in mind when he famously said “It’s in Apple’s DNA that technology alone is not enough — it’s technology married with liberal arts, married with the humanities, that yields us the result that makes our heart sing and nowhere is that more true than in these post-PC devices”.

Coming from Jobs, who had made his mark not only through his technological innovation but also by redeeming the fortunes of his once fledging company, this remark can be treated as a candid confession whose import can never be understated.

The role of Humanities and Social Sciences in Management Education with a view to making the latter not only financially but also socially profitable has formed part of discussion and debate that rages in the western academia. Though there are an occasional bunch of sceptics who argue that while Humanities and Social Sciences have always been a part of Management Education, speculating their importance appears needless. Nevertheless, a team of committed academicians are engaged in discussions both among themselves as well with members of the industry to explore the proactive role that Humanities and Social Sciences may be allowed to play in Management Education.

Therefore, a University like St. Gallen with an expertise in business education for 100 years has continued to offer a course on contextual studies. Despite initial reservations from fresh undergraduates, Ulrike Landfester, Vice President at the University of St. Gallen affirms that the alumni of the course do report back that they have often fallen back on these courses which were termed to help them in their professional careers.

As Gurcharan Das, former CEO, Proctor & Gamble India elaborating on the link between Management Education & Liberal Education says ‘Liberal arts education makes a person more empathetic and gives him a perspective on life. All these are important qualities for a business leader; they are more than just the problem-solving techniques one learns at a management school. There is a difference between making a life and making a living. MBA, law, medical education and engineering help one make a living, but liberal education lets you build a life. When I was running P&G, we recruited candidates from St Stephen’s College and St Xavier’s and not

only from the IITs and IIMs. Management colleges should devote a quarter of their curriculum to liberal arts. In the US, people don't pursue a professional course until they have completed under graduation, usually in the arts or humanities.'

Taking a cue from such deliberations, I wish to envisage on what some may consider a somewhat digressive but nevertheless relevant and adventurous role Humanities and Social Sciences. As the current rage of globalisation has made nonsense of borders both real and virtual, the 'qualified' workforce is likely to find its mettle tested beyond the parameters in the classroom. Out of the safe familiar world, the young novice is likely to find himself in a world where he has to cope with the contesting claims of multiculturalism, wherein he has to cope with different attitudes and contrary work-ethic. To cope with these radical changes, I dare to say that not only are Humanities and Social Sciences essential pre-requisites, but to sustain their relevance in Management Education, both Humanities and Social Sciences have to expand their horizons and imbibe new ideas to formulate a new set of skills to pass on to wannabe corporates.

By a new set of skills, I definitely mean Life skills and capacity building through enhancement of personal and professional development for managing job demands and lead a happy and well contented life. This is because of the fact that after completing a full term management course, our graduates again need to go through a long re-education in the form of readiness programmes. If our course is not even making the 'scholar 'ready for his chosen career, then what was it meant for? Life skills development and its inclusion with/in Management Education is rapidly gaining momentum with the increasing competition in job markets and the diverse work/job description which needs to be constantly updated in today's swift and ever transforming world with changing information requirements.

A lot of things have been said and written about Education versus Life skills. At times lessons taught in classrooms are so much divorced from the lessons required to lead a wholesome and purposeful life. As our system would take a long time to change and adapt to the current requirements of the industry, the best way would be to collaborate between industry and academic institutions.

It would be worthwhile considering a linking of Life skill development education to "Humanology". Defined here as the competency to "think right, feel from the heart and do good". In short, character building – the ability to look at the mirror when a job goes wrong and look out of the win-

dow when it is done right. Hence education system need to instill in each student a sound value system, where values form basis for thought, innovation and development. A proper synchronization of technical knowledge and technological certification contributes to a job satisfaction and over- all development.

If today people are on their context – specific skills in today’s educational curriculum called soft skills, it becomes all the more important to build a combined picture by collecting multiple data points (soft skills), and any single indicator point (Hard skill). Here soft skills would mean asset of skills required in terms of abilities, aptitudes and qualities developed for adaptability, planning and organization and orchestrating change with the use of proper communication tools: where as hard skills are the academic and technical competence certified for a job.

Hence concepts of skill development have to be evolved in a novel way. Where the development of Neuro-Linguistic Programming (NLP) is effectively being imparted and used to give an insight into how one feels and generates innovative ways of dealing with situations in order to achieve higher standards of personal and or professional performance.

In Neuro-Linguistic Programming, a technique is used through an identification of areas of performance that need to be improved, changed or altered, where the focus is on change of Thoughts, Emotions and Assumptions (TEA) to deliver results par excellence. A range of ideas and techniques that relate to how we communicate, and is determined by one’s behaviour dictated by a combination of thought, feeling and attitude: based also on language, change and communication.

In simple words Neuro-Linguistic Programming is programming peoples mind using words.

- a. Neuro deals with the functions of the brain and does solve the puzzle of how the brain collects and utilizes information effectively and efficiently.
- b. Linguistic helps in understanding the language structure and enriching our experiences.
- c. Programming deals with building useful habits and utilizing them for getting success.

The interdisciplinary influences of Humanities, Social Sciences hence can influence the design, components, varied topics, subject wise distribution, with novel implementation strategies. Hence topics like learning,

training, personality, leadership effectiveness, job satisfaction, performance appraisal, employee selection, work design, communication and behavioural change power, conflict, diverse groups and cross – cultural analysis, can be taught/learnt if Management Education has strategic linkages with other higher educational institutions and community groups like civil societies, social sectors and NGO partners. This would in my opinion help in answering obvious questions on – How do we build a curriculum by combining seemingly different disciplines, how do we implement all this in our classroom teaching– learning process, who would be our students and what new teaching– learning formats and materials shall be required.

All this would require new assessment tools, much more than the ‘hard core ‘business courses which are assessed and evaluated in a traditional manner. Assessment should then be problem based, rather than oriented toward repeating knowledge that has already been produced (application based in terms of rethinking and reinventing pedagogical practices).

An emphasis on the academic orientation with undue stress on grades is perhaps producing a generation of geeks, who know what lies in their books, but not in the world around. A man of learning ought to be a man of the world too: to go back to the renaissance model. Perhaps this makes it imperative for young men and women just out of the universities and institutions to adopt skills with emphasis on emotional intelligence, empathy, social skills – in short life skills that would help them to cope with the world around them. The heavy inflow of information and a greater emphasis on the increased ability to process information for competent and updated skill has – in the words of Joseph John, an academic analyst produced what he refers as – “Bonsai Scholars” – someone who passes out from college with good grades or even flying colours, but is grossly short of life skills needed to face challenges of the real world.

To sum up, one may rather tentatively though audaciously suggest that Management Education, should have two broader purposes and responsibilities. For the business sector, it should improve the quality of business knowledge, skills, and leadership. For the larger society, national and global, it should enhance capacities of business leaders and personnel for deliberation and collective action towards democratic goals. This means the formation of citizens with business expertise. Both these aims entail cultivating engaged reflexivity, with a major goal of humanistic thinking and education – Managing life as well as career.

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## ***Endnotes***

- <sup>1</sup> Though it may appear anachronistic, nevertheless there is no denying that after the cold war, nation-states sponsored by corporations rather than nations themselves are in a bid to outdo one there. It may also be a case in point to emphasise that the war between nations has shifted from the battlefield to the boardroom, and it is perhaps this shift in paradigm which has not rendered war less gory, but has included the collateral among its itinerary of damages.

# **SPSS: A Research Method for Social Sciences and Management**

OINAM BHOPEN SINGH

## **Abstract**

*SPSS, a statistical package for Social Sciences, is a powerful tool that is capable of conducting just about any type of data analysis used in the social sciences, the natural sciences or in the business world. Some of the tests that are used by many of the social sciences and management researchers are parametric and non-parametric test, ANOVA and MANOVA, bivariate and multi-variate Analysis, factor analysis and cluster analysis, etc. It is used by market researchers, health researcher. survey companies, government, education researcher, marketing organizations, and data miners. It provides menus, data editor windows, output viewer and syntax editor windows, etc.*

**Keywords:** *SPSS; Statistical Packages; Descriptive Statistics; Referential Statistics; Education Research; Hypothesis; Hypothesis Testing; T-test; X 2- ANOVA*

## **Introduction**

SPSS is a software package used for statistical analysis and stands for Statistical Package for the Social Sciences. It is a powerful tool that is capable of conducting any type of data analysis used in the social sciences, the natural sciences, or in the business world. SPSS provides a powerful statistical-analysis and data-management system in a graphical environment, using descriptive menus and simple dialog boxes to do most of the work, and most tasks can be accomplished simply by pointing and clicking the mouse. In addition to the simple point and click interface for statistical analysis SPSS also provides data editor, viewer, multidimensional pivot table, high resolution graphics, database access, data transformation and online help.

SPSS is proprietary software originally developed by Norman H. Nie, Dale H. Bent, and C. Hadlai Hull in 1968. The software was incorporated as SPSS Inc. in 1975 with Nie as the CEO. It was then acquired by IBM in 2009, and thereby became "SPSS: an IBM Company". This is a software which is updated the most and has versions numbering starting from 7 to 22. Currently SPSS is officially named as **IBM SPSS Statistics**.



In this paper a brief overview of the SPSS software is given, along with some of the statistical terms used. Additionally some of the commonly used data analysis procedures like Frequencies, T test, ANOVA, Chi-Square, etc. found in the SPSS menu bar are discussed.

### ***Overview of SPSS***

IBM SPSS Statistics for Windows is an easy to use tool for managing data and calculating a wide variety of statistics. It consists of menu bar, the toolbars, the data editor window, the output viewer window, the chart editor window and the syntax editor window. Each window corresponds to a separate type of SPSS file.

**The menu bar:** The menu bar displays the commands that perform most of the operations that SPSS provides. The commands are File, Edit, View, Data, Transform, Analyze, Graphs, Utilities, Add-ons, Windows and Help.

**The toolbar:** The toolbar icons are located below the menu bar at the top of the screen. The icons are created specifically for ease of point-and-click mouse operations. Some of these icons are open icon, save icon, print icon, etc. Different toolbars are available for data window, output window.

**The data editor window:** The Data Editor is a versatile spreadsheet-like system for defining, entering, editing, and displaying data. The data editor window consists of two views.

- *The Data View:* It displays the data entered by the user. It consists of rows, columns and cells, where each row represents a case or observation and each column represents the variable or the characteristic that is being measured. The cell represents the value of a variable for a case.
- *The Variable View:* The variable view is where we specify the format of the data when creating a data file. It contains descriptions of the attributes of each variable in the data file.

Data files are saved with a file type of .sav, a file type that most other software cannot work with.

**The output viewer window:** As SPSS carries out various computations and other tasks, the results can show up in a variety of places. Statistical results will show up in the Output Viewer. The Output Viewer shows the tables of statistical output and any graphs that are created. By default it also shows the programming language for the commands that is issued, and most error messages will also appear here. The Output viewer also allows us to edit and print the results. The tables of the Output Viewer are saved with a file type of .spv.

**The chart editor window:** The chart editor provides various methods for manipulating charts. Many actions that are performed in the Chart Editor are done with the menus, especially when adding an item to the chart. The options for the chart and its chart elements can be found in the Properties dialog box which can be viewed by double clicking a chart element.

**The syntax editor window:** The syntax editor allows us to write, edit, and run commands in the SPSS programming language. If we are using the menus and dialog boxes, the Paste button automatically writes the syntax for the command that is specified into the active syntax editor. These files are saved as plain text and almost any text editor can open them, but with a file extension of .sps.

**Table 1: Types of SPSS Files and Features**

Data(.sav)	Output(.spv)	Syntax(.sps)
<ol style="list-style-type: none"> <li>1. Data view</li> <li>2. Variable view</li> <li>3. Inserting/Deleting case and variable</li> <li>4. Sorting</li> </ol>	<ol style="list-style-type: none"> <li>1. Navigation bar</li> <li>2. Chart editing</li> <li>3. Table editing</li> </ol>	<ol style="list-style-type: none"> <li>1. Pasting</li> <li>2. Executing</li> <li>3. Notation</li> <li>4. Saving</li> <li>5. Copying and editing</li> </ol>

*Basic Statistical Terms*

Statistics is a necessary skill for understanding SPSS so, a fundamental grounding in statistics is important for an understanding of which procedures to use and what all the output means. But, for more complex types of SPSS analyses, substantial knowledge in the statistical techniques is required. Some common Statistical measures and terms are further discussed below:

**Measure of central tendency:** The measure of central tendency is the estimate of the average of a set of observations. While interpreting this average value, it is assumed that the estimated values are uniform. Measures of central tendency are:

- *Arithmetic mean:* It is defined as the ratio between the sum of the observations and the number of observation.
- *Median:* The median corresponds to half of the total frequency. If the number of observation is odd, then the median is the middle value and if the number of observation is even then, the median is the arithmetic mean of the middle most two observations after the observations are ar-

ranged in ascending or descending order.

- *Mode*: The mode is the value for which the frequency is the maximum.

**Measures of variation:** The variation is a measure of the extent to which the individual observations vary with reference to the average of the given set of observation. The different measures of variation are:

- *Range*: Range is the difference between the highest value and the lowest value of the given set of observation.
- *Quartile deviation*: It is the half of the difference between the third quartile and the first quartile.
- *Standard deviation*: It is the standard measure of variability around the mean of a distribution. It is called root mean square deviation or the square root of variance.
- *Variance*: It is a measure of variability about the mean, the square of the standard deviation, used largely for computational purposes.

**Measure of skewness:** In a distribution of values, measure of skewness is a measure of deviation from symmetry. Negative skewness describes a distribution with a greater number of values above the mean; positive skewness describes a distribution with a greater number of values below the mean.

*Population*: The entire spectrum of a system of interest is known as population.

*Sample*: It is a set of individuals or cases taken from some population for the purpose of making inferences about characteristics of the population.

*Hypothesis*: Hypothesis is an assumption that we make about characteristics of population(s).

*Null hypothesis*: It is the assumption about a population. It is denoted by  $H_0$ .

*Alternate hypothesis*: The assumption that is to be tested for is framed as Alternate hypothesis. It is denoted by  $H_1$ .

*Significance level*: The significance level is the probability with which the null hypothesis will be rejected due to sampling error.

*pValue*: pValue often reported as Sig. in SPSS is the type I error reported by the test.

*Alpha*: Alpha is the researcher's prerogative of maximum permissible type

I error. In social sciences alpha is generally assumed as 0.05.

## Analyzing Data in SPSS

The main purpose of using SPSS is data analysis and interpretation of the result. The procedures and commands used for data analysis from simple to complex analysis are found under a single menu, **ANALYZE**. Here some of the commonly used test and the procedures are discuss.

**Frequencies:** The Frequencies procedure provides statistics and graphical displays that are useful for describing many types of variables.

**Statistics and plots:** Statistics and graph found under frequencies are:- Frequency counts, percentages, cumulative percentages, mean, median, mode, sum, standard deviation, variance, range, minimum and maximum values, standard error of the mean, skewness and kurtosis (both with standard errors), quartiles, user-specified percentiles, bar charts, pie charts, and histograms.

Steps to obtain frequency table: From the menus choose: *Analyze > Descriptive Statistics > Frequencies...*

In the frequencies window select one or more categorical or quantitative variable. Optionally, click:

- Statistics for descriptive statistics for quantitative variables.
- Charts for bar charts, pie charts, and histograms.
- Format for the order in which results are displayed

**Descriptives:** The Descriptives procedure displays univariate summary statistics for several variables in a single table and calculates standardized values (z scores). Variables can be ordered by the size of their means (in ascending or descending order), alphabetically, or by the order in which the variable are selected. When z scores are saved, they are added to the data in the Data Editor and are available for charts, data listings and analyses.

**Statistics:** Statistics found in descriptive are sample size, mean, minimum, maximum, standard deviation, variance, range, sum, standard error of the mean, and kurtosis and skewness with their standard errors.

**Steps to obtain descriptives:** From the menus choose: *Analyze > Descriptive Statistics > Descriptives...*

In the descriptive window select one or more variable and select, “Save standard value as variable” to save z scores as new variables.

Optionally, click:

Options for optional statistics and display order.

**Crosstabs:** The Crosstabs procedure forms two-way and multi-way tables and provides a variety of tests and measures of association for two-way tables. The structure of the table and whether categories are ordered determine what test or measure to use. Crosstabs' statistics and measures of association are computed for two-way tables only. If you specify a row, a column, and a layer factor (control variable), the Crosstabs procedure forms one panel of associated statistics and measures for each value of the layer factor.

**Statistics and measures of association:** Statistics and measures of association found in crosstabs are:-Pearson chi-square, likelihood-ratio chi-square, linear-by-linear association test, Fisher's exact test, Yates' corrected chi-square, Pearson's r, Spearman's rho, contingency coefficient, phi, Cramer's V, symmetric and asymmetric lambdas, Goodman and Kruskal's tau, uncertainty coefficient, gamma, Somers' d, Kendall's tau-b, Kendall's tau-c, eta coefficient, Cohen's kappa, relative risk estimate, odds ratio, McNemar test, and Cochran's and Mantel-Haenszel statistics.

**Steps to obtain crosstabs:** From the menus choose: *Analyze > Descriptive Statistics > crosstabs...*

In the crosstabs window, select one or more row variables and one or more column variables and also select one or more control variables. Optionally, click:

- Statistics for tests and measures of association for two-way tables or subtables.
- Cells for observed and expected values, percentages, and residuals.
- Format for controlling the order of categories.

**T test:** T test is a procedure used for comparing sample means to see if there is sufficient evidence to infer that the means of the corresponding population distributions also differ. SPSS provides three different types of t tests. They are:

**Independent-sample t tests:** Independent-sample t test compares the means of two different samples. The two samples share some variable of interest in common, but there is no overlap between memberships of the two groups.

**Statistics:** For each variable: sample size, mean, standard deviation, and standard error of the mean. For the difference in means: mean, stan-

dard error, and confidence interval (you can specify the confidence level). Tests: Levene's test for equality of variances and both pooled-variances and separate-variances t tests for equality of means.

Steps to obtain Independent-sample T Test: From the menus choose: *Analyze > Compare means > Independent-samples t test...*

In the independent-sample t test window, select one or more quantitative test variables. A separate t test is computed for each variable. Then select a single grouping variable, and then Define Groups to specify two codes for the groups that is to be compared. Optionally, click Options to control the treatment of missing data and the level of the confidence interval.

**Paired-Samples T Tests:** The Paired-Samples T Test procedure compares the means of two variables for a single group. The procedure computes the differences between values of the two variables for each case and tests whether the average differs from 0.

**Statistics:** For each variable: mean, sample size, standard deviation, and standard error of the mean. For each pair of variables: correlation, average difference in means, t test, and confidence interval for mean difference. Standard deviation and standard error of the mean difference.

Steps to obtain Paired-sample T Test: From the menus choose: *Analyze > Compare means > Paired-samples t test...*

In the paired-sample t test window select one or more pairs of variables. Optionally, click Options to control the treatment of missing data and the level of confidence interval.

**One-Sample T Tests:** One sample T test procedure tests whether the mean of a single variable differs significantly from some preset value.

**Statistics:** For each test variable: mean, standard deviation, and standard error of the mean. The average difference between each data value and the hypothesized test value, a t test that tests that this difference is 0, and a confidence interval for this difference.

Steps to obtain one-sample T Test: From the menus choose: *Analyze > Compare means > One-sample t test...*

In the one-sample t test window, select one or more variable to be tested against the same hypothesized value. Enter a numeric value against which each sample mean is compared.

Optionally, click Options to control the treatment of missing data and the

level of the confidence interval.

### **One-Way ANOVA:**

The One-Way ANOVA procedure produces a one-way analysis of variance for a quantitative dependent variable by a single factor (independent) variable. Analysis of variance is used to test the hypothesis that several means are equal or to test the hypothesis that the means of two or more groups are not significantly different.

**Statistics:** Several statistics are used in One-Way ANOVA. For each group: number of cases, mean, standard deviation, standard error of the mean, minimum, maximum, and 95% confidence interval for the mean. Levene's test for homogeneity of variance, analysis-of-variance table and robust tests of the equality of means for each dependent variable, user-specified a priori contrasts, and post hoc range tests and multiple comparisons: Bonferroni, Sidak, Tukey's honestly significant difference, Hochberg's GT2, Gabriel, Dunnett, Ryan-Einot-Gabriel-Welsch F test (R-E-G-W F), Ryan-Einot-Gabriel-Welsch range test (R-E-G-W Q), Tamhane's T2, Dunnett's T3, Games-Howell, Dunnett's C, Duncan's multiple range test, Student-Newman-Keuls (S-N-K), Tukey's b, Waller-Duncan, Scheffé, and least-significant difference.

Steps to obtain One-Way ANOVA: From the menus choose: *Analyze > Compare means> One-Way ANOVA*.

In the one-way ANOVA window, select one or more dependent variables and a single independent factor variable.

Optionally, click:

- Contrasts button to partition the between-groups sums of squares into trend components or specify a priori contrasts.
- Post hoc button if it is determined that differences exist among the means. Post hoc range tests and pairwise multiple comparisons can determine which means differ. Range tests identify homogeneous subsets of means that are not different from each other. Pairwise multiple comparisons test the difference between each pair of means and yield a matrix where asterisks indicate significantly different group means at an alpha level of 0.05.
- Option button provide us to check option like descriptive, homogeneity of variance test, produce mean plot line graph, etc.

**Factor Analysis:** Factor analysis attempts to identify underlying variables, or factors, that explain the pattern of correlations within a set of observed variables. Factor analysis is often used in data reduction to identify a small number of factors that explain most of the variance that is observed in a much larger number of manifest variables. Factor analysis can also be used to generate hypotheses regarding causal mechanisms or to screen variables for subsequent analysis.

**Statistics:** For each variable: number of valid cases, mean, and standard deviation. For each factor analysis: correlation matrix of variables, including significance levels, determinant, and inverse; reproduced correlation matrix, including anti-image; initial solution (communalities, eigenvalues, and percentage of variance explained); Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett's test of sphericity; unrotated solution, including factor loadings, communalities, and eigenvalues; and rotated solution, including rotated pattern matrix and transformation matrix. For oblique rotations: rotated pattern and structure matrices; factor score coefficient matrix and factor covariance matrix. Plots: screen plot of eigenvalues and loading plot of first two or three factors.

Steps to obtain Factor Analysis: From the menus choose: *Analyze > Data Reduction > Factor...*

In the Factor Analysis window, select the variables for the factor analysis.

Optionally, click:

- Descriptives, to include univariate descriptive and initial solution.
- Extraction to specify the method of factor extraction. Some methods are principal components, unweighted least squares, generalized least squares, maximum likelihood, principal axis factoring, alpha factoring, and image factoring.
- Rotation to select the method of factor rotation. Available methods are varimax, direct oblimin, quartimax, equamax, or promax.
- Score to select save as variables, method and display factor score coefficient matrix.

**Chi-Square Test:** The Chi-Square test procedure tabulates a variable into categories and computes a chi-square statistics. This goodness-of-fit test compares the observed and expected frequencies in each category to test that all categories contain the same proportion of values or test that each



category contains a user-specified proportion of values.

**Statistics:** Statistics found in Chi-square test are mean, standard deviation, minimum, maximum, and quartiles. The number and the percentage of missing cases; the number of cases observed and expected for each category; residuals; and the chi-square statistics.

Steps to obtain Chi-Square Test: From the menu choose: *Analyze > Nonparametric Tests > Chi-Square...*

In the Chi-Square window select one or more test variables. Each variable produces a separate test.

Optionally, click:

- Options for descriptive statistics, quartiles, and control of the treatment of missing data.

**Two-Independent-Samples Test:** The nonparametric tests for two independent samples are useful for determining whether or not the values of a particular variable differ between two groups. This is especially true when the assumptions of the t test are not met.

**Statistics:** Statistics used in mean, standard deviation, minimum, maximum, nonmissing cases, and quartiles. Test used are Mann-Whitney U, Moses extreme reactions, Kolmogorov-Smirnov Z, Wald-Wolfowitz runs.

Steps to obtain Two-Independent-Sample Test: From the menu choose: *Analyze > Nonparametric Tests > 2-Independent Samples...*

In the Two Independent-Sample test window, select one or more numeric variables and a grouping variable. Click Define Groups to split the file into two groups or samples.

Optionally, click:

Options for descriptive statistics, quartiles, and control of the treatment of missing data.

## **Conclusion**

In today's research the amount of data we deal with are collected from various sources and are generally very large. So handling the data and analyzing it manually will consume lot of time with all those complex formulae and tedious calculation. Mathematics is generally thought to be the language of science; data analysis is the language of research. Research in many fields

is critical for human progress, and as long as there is research, there will be need to analyze data. So SPSS is a tool designed to make data analysis more comprehensible and easy.

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# **Assessment of Service Quality in HDFC and State Bank of India (SBI) Retail Banking in Jorhat**

MOKHALLES M. MEHDI

## **Abstract**

*The Indian banking industry is rapidly changing due to new technology, fierce competition and demanding customers. A business with high service quality will meet customer needs especially in banking sector. High service quality leads to a better customer satisfaction. The objective of the study is to identify quality of services offered by State Banks of India and HDFC banks to customers. In addition the study tries to uncover gaps and make suggestions for improvement by doing a comparative analysis of these two banks using five dimensions of Service quality, namely Reliability, Responsiveness, Empathy, Assurance, and Tangibles based on SERVQUAL technique (Parsuraman et al., 1988). The study covers both primary investigation and literature review. Data was collected from 87 customers of banks administering structured questionnaire using random sampling technique from Jorhat branch and analyzed using statistical techniques. Research has indicated about the gap between perceived and expected service of these two categories of banks branch. The study concludes that services quality delivery of SBI is low as compared to HDFC and recommends that SBI have to work in almost five dimensions of services.*

**Keywords:** *Bank; Expected Service; Perceived Service; SERVQUAL*

## **Introduction**

The liberalisation of Indian economy has tremendous impact on banking sector. Currently, India has 27 state-run banks and 22 private sector banks, but its ratio of branches to adults is just one-fourth of Brazil's, leaving about half of households in India - a country of 1.2 billion people - outside the banking system.

Major players in banking sector are SBI, Axis Bank, ICICI Bank, HDFC Bank, Punjab National Bank, Bank of Baroda, Canara Bank and Bank of India. However, in terms of average market share, SBI is by far the largest player in the market. SBI is a regional banking behemoth and has 20% market share in deposits and loans among Indian commercial banks as on 2013.

HDFC Bank is the fifth largest bank in India by assets and the largest bank in India by market capitalization as of 24 February 2014. Some of the key services offered by a bank branch include savings and transactional accounts, mortgages, personal loans, debit cards, and credit cards. The banking sector is dominated by State Banks; ICICI Bank and HDFC Bank, the country's two biggest private sector lenders. With a view to compete for market share with private sector banks, public sector has also started focusing on quality customer service. Hence, the study includes SBI and HDFC bank.

The concept of quality itself is very old and difficult to define. Initially, quality is associated with production of goods but now the trend is shifting more towards customers and customer relationship management, realising that customer is the king. In services sector, customer is the key part of business process, especially in banking sector.

In this context, the study is to come to an understanding whether the dimension of public sector vs. private sector bank have a impact on customer satisfaction and service quality and make policy recommendations to improve the service quality.

### ***Objectives***

1. To identify the quality of services offered by State Bank of India and HDFC bank.
2. To compare customers expected and perceived services of State Bank of India and HDFC bank.
3. To find out the gap between expected and perceived services for State Bank of India and HDFC bank.
4. To discover the involvement of human factors in service delivery.
5. To uncover the main attributes of service quality in which customers are more satisfied or dissatisfied in State Bank of India and HDFC bank.
6. To make suggestions for improvement of service quality in State Bank of India and HDFC bank.

### ***Literature Review***

Service quality has become an important area due to its relationship with customer satisfaction and positive word of mouth. Turnbull and Gibbs (1989) identified that quality of staff, price of service and managers attitude are very important in establishing a relationship with customers. Relationships

developed over a period of time due to the impact of number factors such as simple longevity, full and effective communication (Crane & Eccles, 1993; Tyler, 1996) and various human factors influence which based on skills, personality and ability of communication of company staff. Humans are the crucial element in the development of service quality because human capital is considered as a vital element in the development and maintenance of relationships (Turnbull & Gibbs, 1987; Turnbull & Moustakatos, 1996b).

Ennew and Binks (1996) revealed that the perception of service levels is determined with the level of interaction between customer and service provider and good relationships aids in the quality of service. Grönroos (1990) identified the criteria of good perceived services as professionalism, attitudes, behaviour, accessibility, flexibility, reliability, trustworthiness, recovery, reputation and credibility. Tyler and Stanley (1999) found that reliability, assurance, empathy, responsiveness and pro-activity were the important elements in service quality. Parasuraman, Zeithaml and Berry (1988) have provided a component framework for understanding those elements, which constitute quality service.

Chawla and Singh (2008) have identified that accessibility factor was higher in satisfaction as compared to reliability and assurance factors of service quality in the life insurance sector. Mengi (2009) revealed that satisfaction of customers of public sector banks is higher as compared to private sector banks. Research has used service quality dimensions such as tangibility, reliability, responsiveness, assurance and empathy to measure the customer satisfaction. Guddep and Elango (2006) have conducted a study in Indian public sector, private sector and foreign banks to understand the service quality and customer satisfaction. Results have indicated that customer services of foreign and private sector banks were better. Brahmabhatt and Panelia (2008) enunciate that Foreign Banks is better than public sector banks and private sector banks in service quality.

Sivesan (2012) conducted study to find out the impact of the service quality on customer's satisfaction in banking sectors. He highlighted that customer satisfaction evaluated using service facility and accessories, convenience and supporting service, customer value and loyalty. He also indicated that service quality and customer satisfaction are inter-related and banks should pay the attention to polish service quality.

Khan and Fasih (2014) examined the impact of various service quality dimensions on customer satisfaction and customer loyalty in banking sector of Pakistan. The study indicate that service quality and all its dimensions

such as tangibles, reliability, assurance and empathy have significant and positive association with satisfaction and loyalty of customers towards their respective financial service providing organizations.

Siddiqi (2011) conducted a study using 100 retail banking customers to uncover the relationship between service quality attributes and customer satisfaction. He pointed out that service quality attributes are positively related to customer satisfaction and customer satisfaction is positively related to customer loyalty in the retail banking settings in Bangladesh. Results indicate that Empathy demonstrates the highest positive correlation with customer satisfaction and tangibility shows the least positive correlation with customer satisfaction. Further research suggests that SERVQUAL is a suitable instrument for measuring the bank service quality in the Bangladesh context. Shanka (2012) revealed that empathy and responsiveness plays the most important role in customer satisfaction level followed by tangibility, assurance, and finally the bank reliability. Also indicate offering high quality service increase customer satisfaction, which in turn leads to high level of customer commitment and loyalty. Karim and Chowdhury (2014) conducted a study using five dimensions in service quality as the base for this study. The research revealed that tangibility, reliability, responsiveness, assurance and empathy significantly and positively influenced customer attitudes in terms of satisfaction, that is service quality dimensions are crucial for customer satisfaction in private commercial banking sector in Bangladesh. Jain et al. (2012) used the SERVQUAL model and revealed that among the private sector banks all the dimensions of service quality are equally important.

Singh and Khurana (2011) attempt to understand the gender wise customers' expectations and perceptions, difference in expectation & perception of service quality and satisfaction attributes of service quality among the customers of Private Banks in Hissar. Research revealed that the quality of services private banks provide was below customers expectations. Ananth et al. (2010) identified that empathy dimension has a bigger gap between customer expectation and perception of service quality. Dimension Empathy-Reliability-Assurance positively influences the banking service quality.

Hinson et al. (2006) conducted a study on service quality using the SERVQUAL model and revealed that all the service quality dimensions contributed significantly to the prediction of service quality in Ghana. Among all the service quality dimensions, human element of service quality

was found to be highly predictive of perceived service quality. Rathee et al. (2014) attempted to identify gaps between expected and performed service in private banks of NCR. The research has revealed that attributes of service quality in private bank were most important in providing satisfaction to customers and areas where significant gaps existed. The research concluded that the highest gap was found in the dimension of reliability and empathy.

Prabhakaran and Satya (2003) believed that the customer is the king. High customer satisfaction is important in maintaining a loyal customer base. To link the service quality, customer satisfaction and customer loyalty is important. Kumar et al. (2009) stated that high quality of service will result in high customer satisfaction and increases customer loyalty. Heskett et al. (1997) argued that profit and growth are stimulated primarily by customer loyalty and loyalty is a direct result of customer satisfaction. Parasuraman et al. (1988) and Naeem and Saif (2009) found that customer satisfaction is the outcome of service quality. Caruana (2002) developed a mediational model that links the service quality and service loyalty via customer satisfaction and applied this model in the retail banks in Malta. The results appear to prove the links between service quality, customer satisfaction and customer loyalty.

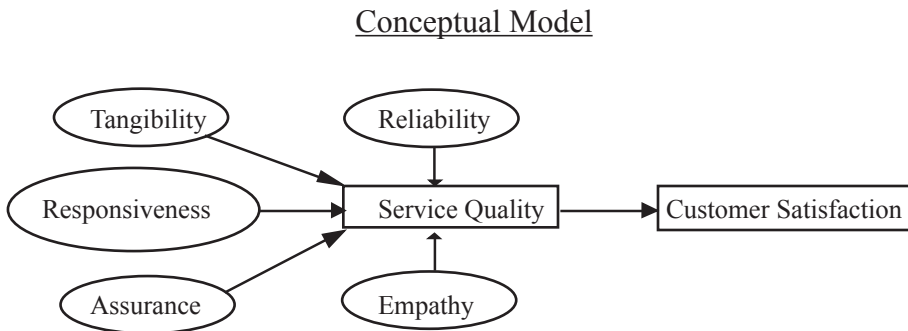
Review of literature has indicated the wide application of SERVQUAL model. It is clear that several studies were conducted on service quality in banking sector. So the present study focused only on service quality and comparison of two prominent bank's branch from private and public sector in Jorhat of Assam.

### ***Research Methodology***

The study covers both primary investigation and literature review. Secondary data collected from banks websites, annual report, newspapers and research articles to support the research objectives. A questionnaire was prepared using seven point Likert Scaling system based on the five dimensions of service quality to measure the response of customers. Data was collected with the help of structured questionnaire based on SERVQUAL model (Parasuraman et al., 1988) from 87 respondents using random sampling technique from the banks customers of Jorhat. Data was analyzed to recognize the gap of services and to satisfy the research objectives.

## SERVQUAL Model

The SERVQUAL model of Parasuraman et al. (1988) proposes a five-dimensional construct of perceived service quality (RATER model) with items reflecting both expectations and perceived performance. SERVQUAL, word consists of ‘Service’ and ‘Quality’, which includes five dimensions: tangibility, reliability, responsiveness, assurance, empathy (refer to Figure 1).



**Figure 1:** Conceptual model for service quality

Tangibility includes physical facilities, equipment, and the physical appearance of an employee. Reliability refers to the ability to provide the exact required service according to given specifications and conditions. Responsiveness is the inclination and willingness of the employees to serve customers quickly and properly. Assurance is the feeling of trust and confidence in dealing with the organization. Assurance reflects the workers’ knowledge, experience and their ability to build self-confidence as well as confidence in the customers themselves. Empathy indicates understanding the customers’ personal needs, taking care of them individually and showing them all sorts of sympathy, affection and looking at them as close friends and distinguished clients. Following are the statements indicate about different service dimensions.

### Statements for Expected Service

#### 1. Tangible

- E1: A good Bank should be equipped with all the modern facilities.
- E2: The physical facilities at the Bank should be visually appealing.
- E3: The employees working in the Bank should be well dressed and appear neat.
- E4: Materials associated with the service (such as pamphlets or



statements) of the bank should be visually appealing.

## 2. Reliability

- E5: When a Bank promises to do something by a certain time, it should do so.
- E6: When a customer has a problem, banks should show a sincere interest in solving it.
- E7: Banks should perform the service right the first time.(dependable)
- E8: Banks should provide its services at the time it promises to do so.
- E9: Banks should keeps its records accurately without error

## 3. Responsiveness

- E10: Employees of banks should tell customers exactly when services will be performed
- E11: Employees of banks should give prompt service to customers.
- E12: Employees of banks should always be willing to help customers.
- E13: Employees of banks should never be too busy to respond to customers' requests.

## 4. Assurance

- E14: The behavior of employees in banks should install confidence in customers.
- E15: Customers of banks should feel safe in transactions
- E16: Employees of banks should arc polite.
- E17: Employees of banks should have the knowledge to answer customers' questions.

## 5. Empathy

- E18: Banks should give customers individual attention.
- E19: Banks should have employees who give customers personal attention.
- E20: The employees of Banks should understand the specific needs of their customers.
- E21: Banks should have their customer's best interests at heart.
- E22: Banks should have operating hours convenient to all their customers.

## Statements for Perceived Service

### 1. Tangible

- P1: SBI/HDFC Bank is equipped with all the modern facilities.
- P2: The physical facilities at SBI/HDFC Bank are visually appealing.
- P3: The employees working in SBI/HDFC Bank are well dressed and appear neat.
- P4: Materials associated with the service (such as pamphlets or statements) are visually appealing at SBI/HDFC Bank.

### 2. Reliability

- P5: When SBI/HDFC Bank promises to do something by a certain time, it does so.
- P6: When you have a problem, SBI/HDFC Bank show a sincere interest in solving it.
- P7: SBI/HDFC Bank perform the service right the first time.(dependable)
- P8: SBI/HDFC Bank provides its services at the time it promises to do so.
- P9: SBI/HDFC Bank keeps its records accurately without error

### 3. Responsiveness

- P10: Employees of SBI/HDFC Bank tells customers exactly when services will be performed
- P11: Employees of SBI/HDFC Bank gives prompt service to customers.
- P12: Employees of SBI/HDFC Bank are always willing to help customers.
- P13: Employees of SBI/HDFC Bank are never too busy to respond to customers' requests.

### 4. Assurance

- P14: The behavior of employees of SBI/HDFC Bank installs confidence in you.
- P15: You feel safe in your transactions with SBI/HDFC Bank
- P16: Employees of SBI/HDFC Bank are polite.
- P17: Employees of SBI/HDFC Bank have the knowledge to answer your questions.

### 5. Empathy

- P18: SBI/HDFC Bank gives customers individual attention.
- P19: SBI/HDFC Bank has employees who give you personal attention.

- P20: The employees of SBI/HDFC Bank understand your specific needs.
- P21: SBI/HDFC Bank has your best interests at heart.
- P22: SBI/HDFC Bank has operating hours convenient to all their customers

This dimension assists an organization to provide better services. Customer satisfaction is dependent on quality of services including the five key dimensions.

## Findings

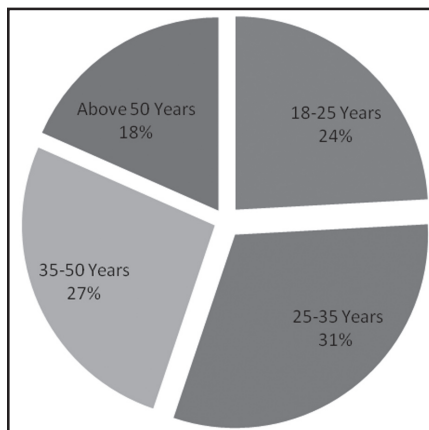
The survey was conducted on a sample of 87 customers from both the bank branch. Data analysis was done doing the mean calculation and comparison was made to identify the gaps in services. Findings of the results were based on response of 47 SBI and 40 HDFC Bank customers (refer Table 1).

**Table 1:** Distribution of the Respondents

Banks	Male	Female	Total
HDFC	24	16	40
SBI	27	20	47
Total	51	36	87

(Source: Primary Data)

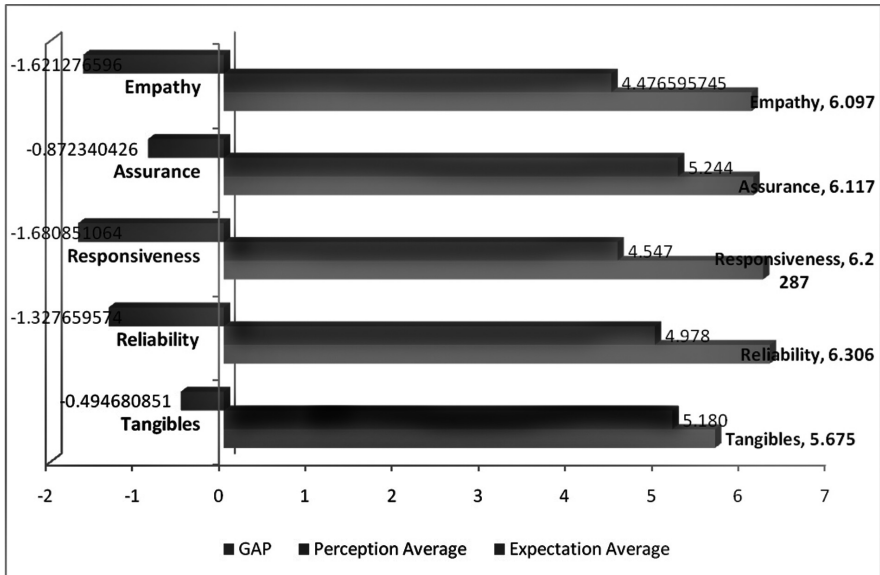
## Age Breakdown of Banks Respondents



**Figure 2:** Age-wise Distribution of Respondents (Source: Primary Data)

Figure 2 indicates that out of 87 respondents, 31% of respondents belong to the age group of 25-35 yrs, followed by 27% within 35-50 yrs and 24% within 18-25 yrs.

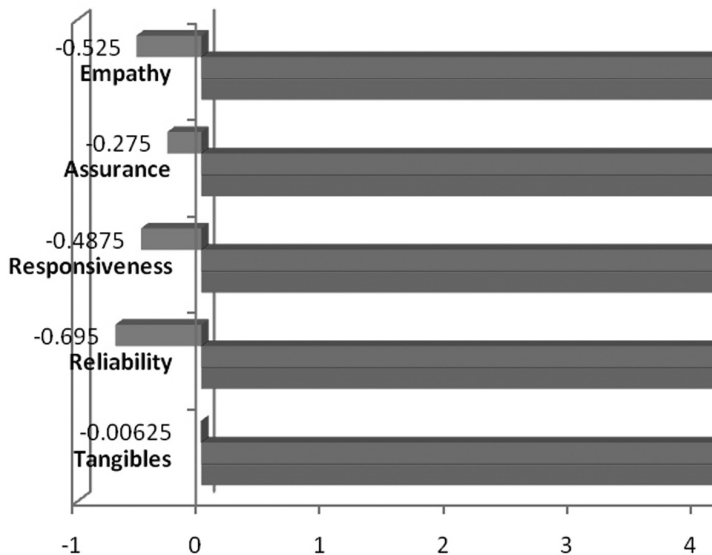
## SERVQUAL Dimensions Gap for SBI



**Figure 3: Gap Analysis for SBI (Source: Primary Data)**

Figure 3 indicates that perceived service is quite less than the expected service quality of SBI. The gap in service quality is high in responsiveness; followed by empathy Dimension. The least Gap exists in the tangibility dimension of SBI service.

## SERVQUAL Dimensions Gap for HDFC



**Figure 4: GAP Analysis for HDFC (Source: Primary Data)**

Figure 4 highlights the perceived service is less than the expected service quality of HDFC but the gap is less as compared to SBI. The gap in Service quality is high for Reliability; followed by Empathy dimension. The least Gap exists in the tangibility dimension of HDFC service.

### Comparison of Service Expectation

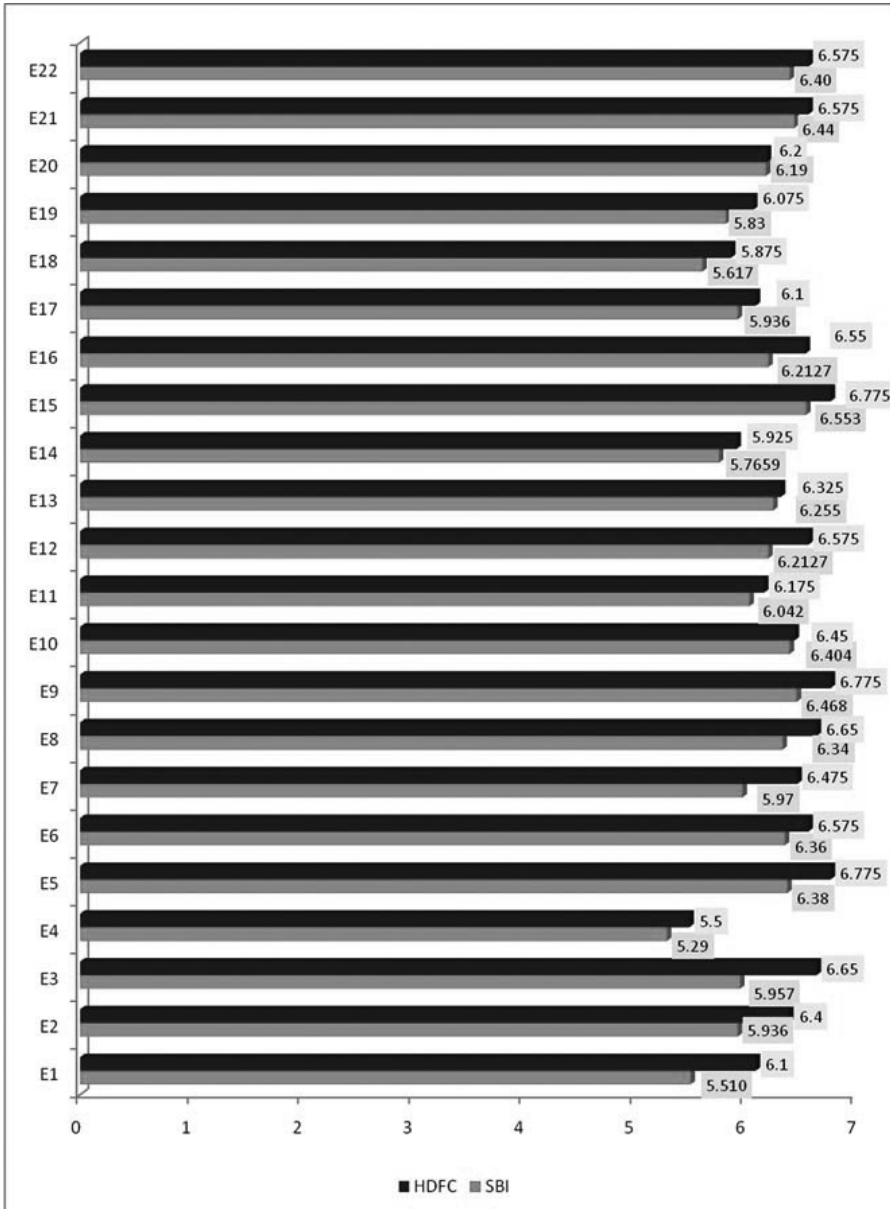
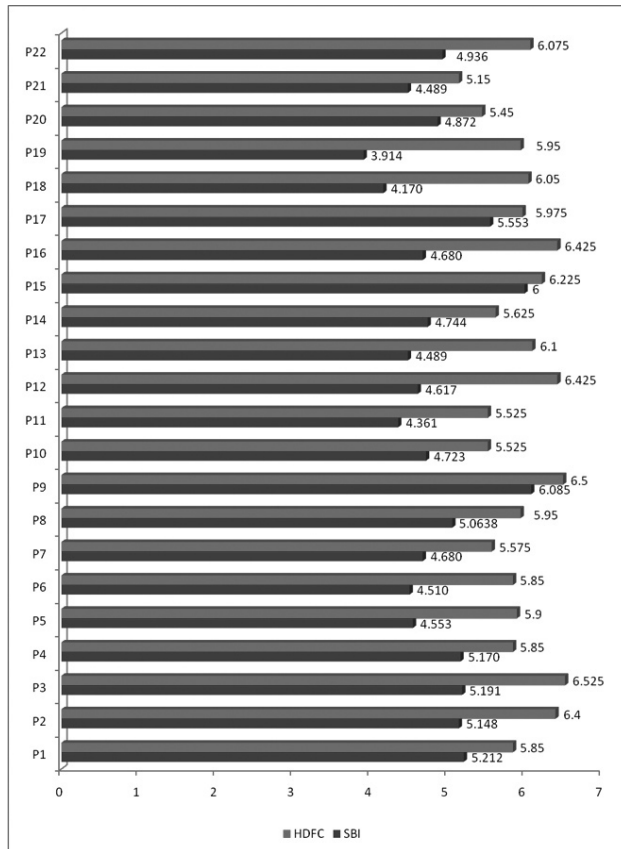


Figure 5: Expectation Average and Comparison among SBI & HDFC Bank Customers (Source: Primary Data)

Figure 5 points out the expectation average of SBI and HDFC bank. Data analysis revealed that customers of both the banks have the highest expectation in the areas such as *employees working in the Bank should be well dressed and appear neat (Tangibility dimension)*, *Banks should keeps its records accurately without error (Reliability dimension)* and *When a Bank promises to do something by a certain time, it should do so (Reliability dimension)*, *Customers of banks should feel safe in transactions (Assurance dimension)*, *Banks should have their customer's best interests at heart (Empathy dimension)* and *Banks should have operating hours convenient to all their customers(Empathy dimension)*, *Employees of banks should tell customers exactly when services will be performed (Responsiveness dimension for SBI)*, *Employees of banks should always be willing to help customers (Responsiveness dimension for HDFC)*.

### Comparison of Service Perception



**Figure 6: Perception Average and Comparison between SBI & HDFC Banks Customers (Source: Primary Data)**

*Figure 6* point out about the perceived average of SBI and HDFC bank. The analysis highlights the customer perception of SBI were such as equipped with all the modern facilities (Tangibility dimension), keeps its records accurately without error (reliability dimension), employees tells customers exactly when services will be performed (Responsiveness dimension), feel safe in their transactions with SBI (Assurance dimension), operating hours convenient to all their customers (empathy dimension). On the other hand, the analysis highlights the customer perception of HDFC were such as employees working in HDFC Bank are well dressed and appear neat (tangibility dimension), bank keeps its records accurately without error (reliability dimension), employees are always willing to help customers (responsiveness dimension), employee's are polite (assurance dimension), operating hours convenient to all their customers (empathy dimension) and gives customers individual attention (empathy dimension).

### **Involvement of Human Factors in Service delivery**

Business organizations need employees or humans to deliver the service. Employees or individual human beings are vital for an organization because they are the medium of interaction between organization and customers. Research has identified the level of importance from the gathered data that without involvement of individual banks cannot provide service to their customers.

Customers observation on the service includes Employees of SBI keeps its records accurately without error (reliability dimension), employees tells customers exactly when services will be performed (Responsiveness dimension), feel safe in their transactions with SBI (Assurance dimension), operating hours convenient to all their customers (empathy dimension). Employees of HDFC are well dressed and appear neat (tangibility dimension), bank keeps its records accurately without error (reliability dimension), employees are always willing to help customers (responsiveness dimension), employee's are polite (assurance), operating hours convenient to all their customers (empathy) and gives customers individual attention (empathy) (refer to Figure 6). These factors suggest the importance of human values and their role in banking sectors. To sum up, in the delivery process employee have to act as an ethical and honest individual. In addition to that, employees need training and respect to incorporate those values in them.

## Shortcomings on Services of Banks

**Table 2:** Ranking of dimensions in which the Banks shortcomings in services

SBI		HDFC Bank	
Dimensions	Ranks	Dimensions	Ranks
Tangibles	1	Reliability	1
Assurance	2	Empathy	2
Reliability	3	Responsiveness	3
Empathy	4	Assurance	4
Responsiveness	5	Tangibles	5

(*Source:* Primary Data)

### ***Conclusion***

Growth of a bank completely depends on the transaction of customers and performance of its employees. Quality services are the medium through which a bank can attract more customers in recent times because service quality leads to customer satisfaction in banking industry. Research highlighted that SBI customers does not have high expectation from SBI like HDFC and SBI customers feel that that the employees are not helpful to a large extend. Research also shows that maintaining an account in SBI is easy as compared to HDFC for common people due to minimum balance criteria of the bank. Due to the changes in economy and technology customers are also demanding better service from the banks. This can be done only through imparting the quality and improving employees' skills for the progress of society.

### ***Recommendations***

The research has identified about the few Shortcomings on Services of bank based on customer feedback. On the basis of the findings, few recommendations were proposed to further strengthen the service delivery position of bank branches. Dimensions the banks are lacking and have to work on (refer Table 2) are as follows:

- SBI should work more on service quality as the customer perceived value is less than the expectation of the customer in almost five dimensions.
- HDFC bank has to work on the reliability aspect.



- HDFC customer has high expectations and so the service quality has to be maintained a certain standard to attract and retain the customers.

### ***Limitations of the Study***

- The survey is carried out within a short period of time.
- The survey is basically done in two different bank branches of Jorhat city.
- The customers were reluctant to give information about bank. Some of the customers did not respond to queries fully and information was withheld.

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## **The Drive for Industrialisation: Displacement and Misery of Tribal at Large (With Reference to Odisha State)**

G.N. BAG

### **Abstract**

*Development does require land, water and resources for which displacement of people with low cost from the governments end is inevitable. In India, most of the mineral deposits or source of hydro-project site confined to the central-east India is dominated by tribal populace. Embarking upon any project germane to industrial development means displacement of tribal inhabitants. The tribal people of Odisha are the sacrificial goat for industrial development. Paradoxically, the assurance of resettlement and due compensation is confined to documentation and leaving the plight of displaced people under the heavy weight of bureaucratic red-tapism.*

*However, development is a must for the growing populace for its survival in this planet but let it be at a minimum cost. The strategy of development must be focused mainly to the people for whom the gamut of development is planned. The minimum cost is to be evaluated from a touch to humane perspective. And will be thoroughly discussed with a convincing note of the affected people and take a judicious decision for a better tomorrow.*

**Keywords:** *Development; Industrialization; Displacement; Resettlement; Minimum cost and Maximum gain to mankind.*

### **Introduction**

Humans by nature are progressive and mankind has marched forward in a long journey towards economic development and prosperity. Indeed, the industrial revolution in Europe brought about technological change in the life and habits of people. Crowther has rightly said that the invention of fire has brought about revolution in science, the invention of wheel, the revolution in mechanics, invention of money, a revolution in the economy. These inventions may be the child of necessity but have dominated the human civilisation changing its course altogether. All the same, the changes led to transition from one stage of the society to the other. The traditional man had to subject himself to the call of the technology and obey the dictates of the “scientific temper, and the technological bent of mind”. The transition of the traditional agriculture economies to the stage of high-tech industrialisa-

tion is what the world is experiencing today. Development is understood mainly as industrialisation.

Development based on industrialisation and the problem of displacement is directly related to each other. Development through industrialisation is a must for a country to cope with the changing scenario of globalisation. However, it causes displacement too. It is also equally true that displacement is a must for development through industrialisation which is a paradox. Apart from the cost of displacement and relocation, there is also the problem of deforestation, loss of agricultural land, environmental degradation, and marginalization of the weaker sections. These adverse effects are called the 'backwash effects'. The benefits of 'spread effects' are enjoyed by the nation at large while it is the local population that bear the brunt of the backwash effects. Whatever may be the consequences, it is the people for whom development is meant who suffer in terms of displacement, exploitation, unemployment, and misery at the end.

### ***Objectives of the Study***

- To know and understand the intensity of development through industrialisation and its aftermath upon people in general but tribal in particular.
- To know the depth/extent of misery of tribals in terms of their socio-economic standard/ position and the effects of industrialisation upon their life in the long run.
- To estimate and find out the factors responsible for industrialisation that go with the eviction of tribal which is more relative to other sections of the society.
- To know the ambience of industrialisation and its impact on the tribal society under the shadow of the principle of cost-benefit analysis (economic-social cost).
- To recommend on the basis of research finding, specific critical areas that need to be looked into by the policy makers and implementing agencies for more effective measures, keeping in mind, that the prosperity of Odisha depends upon industrialisation but people's participation with cordial consensus, (particularly the affected one i.e. tribal) for a peaceful society indeed is imperative.

### ***Literature Review***

The World Bank Environment Department (WBED) estimates that roughly

ten million people are displaced each year due to dam construction (hydro-agro project), urban development with industrialisation program. Furthermore, the global count of displaced people would increase with a consideration of displacement stemming from development projects other than those included in the WBED's count, such as natural extraction projects. The given table depicts a vivid picture of the number of displaced people under different development project in different continents.

**Table 1:** Estimated Numbers of Reported Forced Evictions by Region-2003-2006

<b>Continents</b>	<b>Persons</b>
AFRICA	1,967,986
EUROPE	16,266
THE AMERICAS	1,52,949
ASIA and PACIFIC	2,140,906
Total	4,277,607

*Source:* Centre on Housing Rights and Evictions (COHRE 2006)

**Table 2:** A Conservative Estimate of Displaced Persons by various Categories of Projects in India (1951-1990)

<b>S1. No</b>	<b>Type of Project</b>	<b>Number of Displaced</b>	<b>Number of Rehabilitated</b>	<b>Back log</b>
1.	Dams	1,64,00,000	41,00,000	1,23,00,000
2.	Mines	25,50,000	6,30,000	19,20,000
3.	Industries	12,50,000	3,75,000	8,75,000
4.	Sanctuaries	6,00,000	1,25,500	4,75,000
5.	Others	5,00,000	1,50,000	3,50,000
	<b>Total</b>	<b>2,13,00,000</b>	<b>53,80,000</b>	<b>1,59,20,000</b>

*Source:* Fernandez and et al 1998, p. 251

Ram Babu Mallavarapu (2006) opines in “Development, Displacement and Rehabilitation, An Action-Anthropological study on Kovvada Reservoir in West Godavari Agency of Andhra Pradesh” that development projects often involve the introduction of direct control by a developer over land previously occupied by another group. One common consequence of such projects

is the upheaval and displacement of communities.

### **Geographical Coverage of the Study and the Sample**

The study on the basis of which the present report is based has been undertaken on the sample displaced tribal families due to industrialisation in different districts, situated in the tribal pockets of Odisha.

### ***Methodology***

The study is carried out through the data collected from secondary sources. For primary source, a multi-stages random sampling method is used where the affected tribal villages due to industrialisation were chosen randomly from the regions of the state. The households of the affected tribal families (20 households from each region/district affected- a total of 220 families are covered)) both from non-beneficiaries and beneficiaries (compensation in cash and kind) were taken into consideration and ultimately a questionnaire was prepared keeping the objectives in mind of course, and personal interview was taken through the help of the questionnaire from the families exclusively from the affected tribal at large. In short, for collecting empirical data a number of sociological and anthropological research tools were used. Some of the major research tools used for the study are:

- (i) Interview schedule.
- (ii) Focus group discussion.
- (iii) Participatory rural appraisal
- (iv) Case study

Lastly, analysis and research findings are drawn and conclusion has been inferred for the study eventually.

### ***Hypothesis***

1. There is no direct relation between economic development and industrialisation for the evicted families based on economic-social cost.
2. The affected families have no voice of protest with their present socio-political status.
3. The tribal families have no access to the benefit of being the local by affected people in the realm of employment, economic and social upheaval.

### **Industrialisation and Displacement in India**

In the post-independence period, India embarked on a course of industrialisation under the aegis of the public sector, which assumed “command-

ing heights”. The private sector also did not lag far behind under a system called “mixed economy”. The advent of New Economic Policy of 1991 and its basic policy of liberalisation, privatisation and globalisation has assigned an ascending role to the private sector including foreign investors. The basic fact, however, remain that the only “industrialisation” possible under the neo-liberal regime is corporate industrialisation; and that can occur within such a regime is, as we shall see, necessarily anti-people. For instance, between 1991 and now, the number of persons employed in organised manufacturing has remained constant in absolute terms, notwithstanding a nearly 8 percent or little less annual growth rate in manufacturing output.

The awareness of this fact makes peasants most reluctant to part with their land for industrial purposes, notwithstanding the compensation they get; their future employment prospects remain bleak. The tragedies like Nandi Gram (West Bengal) are inherent in the operation of a new-liberal policy regime. These tragedies are being debated as conflict between the needs of industrialisation and the peasantry, as if the corporate nature of industrialisation does not matter.

However, the public sector is no longer considered a serious investment option; and this is for two reasons. First, there has been an assiduous and largely successful propaganda against public sector that it is inefficient. Secondly, an argument has been advanced that the public sector ‘lacks’ the resources for undertaking imperative investment, which is nothing else but an intellectual deception that deliberately obfuscates the distinction between ‘finance’ and ‘saving’.

Neo-liberalism justifies itself by invoking the ‘virtues of the free market’. In India, it is not capitalists competing against one another for state government projects, but state government competing against one another for attracting capitalists. Initially, the Tatas wanted to manufacture the Nano car at Singur in West Bengal but ultimately went to Sanand in Gujarat for the same. No doubt, corporate industry generates little additional employment, but in addition it uses monopoly position to carry out primitive accumulation of capital by demanding concessions from the state exchequer by imposing conditionality on the state government to the detriment of the people, including dispossession from their land and displacement from their habitat and by engaging in land speculation.

Apparently, displace people internalise a sense of helplessness and powerlessness because of their encounter with the powerful external world. In every category, particularly among the disadvantaged sections, women are



the worst hit and they pay the highest price for development. An increase in alcoholism due to displacement has led to a marked rise in domestic violence in India. Displacement made men feel helpless and turned woman and children into scapegoats. Displacement also leads to deterioration in health and high mortality rates. The nutrition and health of women, which is worse than that of men even normal circumstances is bound to go down in the event of an overall worsening in health caused by displacement.

The irony of the situation is that the tribal in India, suffer a lot because of industrialisation, whether it is Jharkhand, Odisha, West Bengal, Gujarat or in any other parts of India. It is an open truth that industrialisation generates employment in absolute term but it basically leads to displacement of tribals in particular and people in general. Tribals love their land more than their life and often they lack vision due to short sightedness. Being ignorant illiterate and to some extent easily to be lured by the charm of money in the modern era, they bear the brunt of displacement. In fact, India has the second largest concentration of tribal population, after Africa.

The state-wise breakup of Resettlement and Rehabilitation (R&R) Plans cleared by Tribal Affairs Ministry and Persons affected due to Development Projects since 1999 is given below:

**Table 3:** The State-wise breakup of Resettlement and Rehabilitation (R&R) and Persons Affected

<b>S1 . No.</b>	<b>State</b>	<b>No. of Projects cleared</b>	<b>Total No. affected Persons</b>	<b>Total No. affected ST population</b>
1.	Andhra Pradesh	15	316242	123946
2.	Arunachal Pradesh	1	Nil	Nil
3	Jharkhand	1	70820	21000
4	Chhattisgarh	2	455	155
5	Himachal Pradesh	1	836	9
6	Kerala	1	20	20
7	Maharashtra	11	151408	20534
8	Madhya Pradesh	4	195081	12261
9	Odisha	11	64674	42036
10	Rajasthan	11	34452	4258
11	Uttrakhand	2	6716	1489
12	<b>Total</b>	<b>60</b>	<b>665131</b>	<b>225708</b>

*Source:* Ministry of Tribal Affairs, dated 21.11.2013

Tribals are generally called 'Adivasis' implying original inhabitants of the land. There are about 360 tribal groups speaking more than 100 languages and dialects in India. They have been specified as Scheduled Tribes (STs) in accordance with the Presidential orders issued since 1950. More than 90% of the tribal to a large extent depend on forests and forests resources for their livelihood. In recent times because of large scale industrialisation and urbanisation, relative isolation of the tribal areas is broken down. The tribal and their lands and other resources are now exposed to the exploitative market forces, mostly due to the State and Multinational Companies (MNCs) sponsored development projects such as large scale irrigational projects, dams, reservoirs, mining, sanctuaries, industries and tourism projects. Further, the acquisition of lands by the state in tribal areas is a common phenomenon. The innocent and illiterate tribal populace lacks political, social and even legal support to protect their land. It is a known fact that displacement involves injustice to the tribal people and gross violation of their constitutional rights. The tribal people cannot be deprived of their right to life merely by paying some money at the cost of their livelihood. The gamut of legal frame itself is wrong in which the right to life of the people and their survival as community is being violated. At times tribal people mostly, are being forced to move out of their homes on the strength of payment of compensation. Right to life of some persons are being compromised or bartered just for providing more comforts to many people under shadow of globalisation and modernisation. Anti-land acquisition leader and member of the NGO People's Union for Democratic rights, New Delhi, Ranjan Padhi took a dig at the Narendra Modi government, saying the new dispensation is dancing to the tune of big business houses ignoring the anxiety, livelihood sources and future of the common people. "The State must not act as a broker. In 2004, while the state government paid Rs 76,000 for an acre to landowners; it sold the same at Rs 3.35 lakh an acre to the Tatas. Unless the state government stops benefiting from the misery of the people, incidents like Kalinganagar (Odisha) will recur", said president of Bisthapan Birodhi Jan Manch (BBJM) Amarsingh Banara<sup>1</sup>.

### **Industrialisation and Displacement in Odisha**

Odisha is predominantly an agricultural state where nearly 70 percent of the working population depends on agriculture. The state has nearly 40 percent of Scheduled Castes (SCs) and Scheduled Tribes (STs) population, which together make 9.78 million. The state is rich in mineral resources. It has 5,428 million tonnes of iron ore deposit which is one-third of the total iron-

ore deposits of the country. One-fourth of the coal deposit of the country is in the state, in addition to 98 to 99 and 63 percent of chromites and bauxite deposits respectively.

**Table 4:** Tribal population of Odisha as per 2011

<b>Total population</b>	<b>Scheduled Tribe (STs)</b>	<b>% of Scheduled Tribe (STs)</b>
4,19,74218	95,90756	22.8

*Source:* Tribal profile at a glance, May 2013

The government of Odisha has launched a massive program of industrialisation in order to bring about economic development in the state. In 2005, the state government has signed as many as 43 MOU(Memoranda of Understanding) with various corporate bodies for setting up of their industrial unit at an investment of Rs1,60,000 crore. Further, the state government mooted the idea of developing a major industrial complex in the early nineties of the 20th century in the mineral rich region of Dangadi, Duburi and Sukinda located in the district of Jajpur. The proposed complex has the capacity of providing 15 million tonnes of steel annually. Iron ore and chromites are the raw materials for these industries, which are available in plenty in the region. The state government has already signed a Memorandum of Understanding with nearly ten units spread over an area of 13,000 hectares. The major corporate houses such as the TATAs, JINDAL, MITTAL, BALCO, POSCO, and others have already started their projects and a few of them are nearing completion. In pursuance of the MOU the state government would grant mining lease to the concerned industrial units and provide them with land for setting up of their industries.

Moreover, the state government has agreed to acquire land from the local residents as well as to look into all matters relating to displacement, rehabilitations, and resettlement. However, all the efforts for industrialisation are met with violent protest with increasing frequency. Marx once said, ‘Accumulate, accumulate; that is Moses and the Prophets’ (Capital, Vol. 1). Accumulation is nothing but industrialisation for the bourgeoisie. Certainly, during the process of industrialisation, some (executives, technicians and managers) enjoy higher living standards as it has happened in the post- liberalisation of Indian economy but for the rest, (majority) it is misery, deprivation and impoverishment.

The compensation package was announced in 1994 according to which land owners has to be paid at the rate of Rs 35,000 per acre through the

Industrial Development Corporation (IDCO), a corporation of the government of Odisha. The compensation package was revised later in order to enhance the rate of compensation to Rs 50,000 per acre. The people complained that they were paid less and were being forced to lose their means of livelihood.

The district of Kalahandi is one of the least industrially developed parts of the country. In view of its special characteristics of backwardness, special project of the central government called KBK (Kalahandi, Bolangir, and Koraput) covering three former districts of Odisha is under implementation. Recently, the Vedanta Alumina Limited has started its work for setting up a plant at Lanjigarh and mining of bauxite from the Niyamgiri Hill which has a bauxite deposit of 1950 lakh tonnes, while efforts are being made to change a predominantly rural economy and hilly area into a major industrial complex. The people have been strongly resisting the work of setting up of the plant and mining of bauxite. The “Niyam Giri Suraksha Samiti” has been formed by the people to resist leasing out the hills to the company on the ground of protecting the environment. The agitating masses point out that the company has a plan of giving employment benefit to only 286 persons and the use of water from the river Tel by the company would spell disaster for the cultivating class of the district, besides causing environmental degradation. The people of two villages namely Kinari and Bolbhatta, displaced and resettled in the foothill of Niyamgiri, are not at all pleased in their new environment.

The mining of bauxite in Odisha has given rise to a virtual mass movement in the past. In the 1980s, a strong movement of the local people completely stalled the mining activities of the Bharat Aluminium Company (BALCO), a Government of India undertaking with foreign technical collaboration. The proposed steel project of Tata Iron and Steel Company (TISCO) which is now called TATA Steel) at Gopalpur, which involved acquisition of 3500 acres of land and displacement of over 2000 people in the late nineties, also met the same fate. Large areas of agricultural land of the coastal KUJANGA TEHSIL OF Jagatsinghpur district are used for industrial and urbanisation purpose for three decades. If the present trend of land acquisition continues, agriculture and related activities will suffer setbacks in this region which might trigger unemployment crisis. Report says about 70 per cent residents of the area depend on agriculture. Most of the lands on the areas are being used for industrial complexes in Paradip with government concurrence on the promise that the region would advance and the people would be well-off. Right from the beginning, for the Paradip Port

Project the State Commerce and Transport Department in 1970 allotted lands of 3,793.21 acres in the first phase and 2285.80 acres in the second phase. The lands were obtained from Sandhakuda, Bijayachandpur and Balijhori water reservoir and Bhitargara. Meanwhile, Indian Oil Corporation (IOC) has acquired about 3300 hectares of private land for its refinery project in Paradip and most of the lands have been procured from 17 revenue villages of Kujang tehsil. Interestingly, the project remains ignored owing to many reasons and now IOC has planned to receive crude oil at Paradip and transport it to the storage tanks in Haldia through a pipe line. For stretching the pipe line, few acres of lands in Kujang tehsil have been acquired too. In a recent development, the much talked Pohan Steel Company from South Korean (POSCO) is planning to set up its steel plant in Kujang areas. The project needs about 4,874 acres (3,566 acres of government land, 454 acres of forest and 854 acres of private land) from Dhinkia, Nuagoan, Gadakujanfa and Govindapur villages.

The most prominent and pathetic condition of people of Sambalpur district under Hirakud Dam Project is the glorious example of industrialisation and in turn, exploitation by the government in the name of agriculture and protection of people from flood. In the year 1855 during British rule, the first initiative was taken by Capt. Harish to control flood in Odisha. Accordingly, in 1948, the construction of the Hirakud Dam was started and was completed and inaugurated by the then Prime Minister of India, Pt. Jawaharlal Nehru on 13th January 1957. For this project, about 26,501 families comprising one and half lakh people were displaced. The compensation and rehabilitation schemes have not been settled till now even by the Hirakud Dam Land Organisation. The earlier motto was to give water to the farmers for agricultural purposes and control flood of the state, but the major share of water is now channelized for industrialisation in and around the district causing pollution due to this resentment among the people is seen acutely at present<sup>2</sup>.

In Dhenkanal district, Bhusan Steel and Strips Limited established over 1,194.42 acres of private fertile land and 424.25 of government land at an investment of Rs 6,500 crore, had assured to employ eight thousand people, including a substantial number of locals, but reportedly failed to do so. With unbearable pollution of the air, and water bodies of Narendrapur, Sarapa, Ganthigadia and Tolabahal villages, the plant seems to be a bane rather than a boon.

**Table 5:** Number of People /Villages Evicted/Displaced Under the Spell of Industrialisation in Odisha

District/ Location	Name of Project	Total land Acquired in Acre	No. of Villages Affected	No. of Families Affected	No. of People Displaced
Sambalpur	Hirakud Dam- Hindalco	167,377	249	26,501	160,000
Sundargarh	Rourkela Steel Plant	19,277	30	4251	23,400
Dhenkanal &Angul	Bhusan Steel	1315	13	164	854
Jharsuguda	IB Thermal Power Station	487	03	147	748
Jharsuguda	IB Valley Open Coal mine	4500	18	110	495
Sundargarh/ Rajgangpur	OCL India,	1133	13	65	105
Kalahandi/ Lanjigarh	VAL, (Vedanta Alu- minium Ltd.)	1516	15	1248	600
Rayagada/ Kashipur	Aluminum (Hindalco)	3000	66	2500	10,000
Jagatsingpur/ Dhinkia- Kujang	Steel(POSCO)	4004	22	495	15,000
Koraput/ Damanjodi & Angul	NALCO	7,420	51	2103	12,000
Jajpur/ Kalinganagar	Steel (TATA)	13,000	39	1234	10,000

**Sources:** (Reddy, 1992, p 176; B. Pandey, 1998; Sabar, 2010 and Other Official Records, 2007, and *The Hindu*, 8 August, 2007)

As stated above, all these protest movements are mainly directly against the displacement of people and for protection of the local environment. The eagerness of the state government for rapid industrialisation without taking the affected people into confidence leads to many disturbances. Instead of proper compensation, the government utilizes the state power to terrorize the affected people. Given the rising number of confrontations between police and public, it seems there is tacit understanding between the state government and the plant officials to overlook the genuine grievances of the people and by pass the legal and administrative obligations binding on them.

There are several instances in the past in which people have suffered heavily due to apathy of the state government wherever major projects were undertaken. As regards employment benefits to the displaced people, it is found that the PSUs (Public Sector Units) have been lagging behind in the state. It is estimated that the MCL (Mahanadi Coalfield Limited) is yet to provide jobs to 2,017 displaced families as per earlier assurance. Over a period of five decades, the Rourkela Steel Plant has yet to solve the problem of resettlement and compensation to the affected people for which people are agitating.

### ***Findings***

The empirical study in the project resettlement areas and the analysis of the empirical data gathered from the study reveals that the following situation prevails in the resettlement area and to the displaced tribal families in particular (as majority of the sample households were tribals):

- The general socio-economic condition of the ousted people has deteriorated significantly.
- Dependence on agriculture, forest and livestock has reduced substantially.
- Trend towards nuclear family i.e. breaking down joint family culture.
- Unhealthy dwelling conditions of the oustees due to poor available-basic amenities.
- Misuse of compensation money due to illiteracy and causing easy prey to alcohol.
- Drastic reduction in the socio-economic condition of women in the affected families.

Ironically, the people who have been affected by the process of industrialisation in the state are the poor farmers, the tribal families (40 %) and

other people of the weaker section of the society. It is very difficult to assess why the poor tribals or weaker sections are the victims of displacement and exploitation. Of course, socially, politically and economically they are very weak to go against the issue in a court of law (considering the intricacies of its interpretation). Even the tribals have no land deeds, albeit, they have been there since time immemorial. The people's representative to government and the bureaucracy are not responsive to the needs of the displaced people and people's discontent against industrialisation find expression through agitation only which again have serious social, economic and political implications.

As regards to industrialisation in Odisha, we are yet to find out satisfactory answers to many questions raised in the present context. The first and foremost of them relates to total depletion of mineral deposits. State has 5,428 million tonnes of iron ore deposits of which 3,898 million of ore have already leased out to various companies. If all the 43 projects start making (as per MOU) their products, they will need 2,785 million tonnes of ore, creating a shortfall of 1,256 million tonnes. Secondly, widespread mining activities would certainly lead to drying up of the natural sources of water. It is estimated that nearly one crore of agriculturist would be affected by industrialisation. The shortage of essentials (food-vegetables and allied) is acutely felt in the State for which neighbouring states are making a political-economic issue too because of importing essential food items from other states such as potato from West Bengal, onion from Maharastra, Dairy products from Andhra Pradesh, tomato from Uttaranchal and so on. Thirdly, the devoured land mass may not suitable for agriculture nor for any productive purpose in the future. According to government sources, there are 104 sponge iron plants located in nine districts of Odisha, namely in Sundargarh (47), Keonjhar (19), Jharsuguda (11), Sambalpur (10), Mayurbhanj (2),Cuttack (4), Jajpur (4), Dhenkanal (4) and Angul (3). Except in Cuttack district, the other eight districts contain a fairly high percentage of tribals and other depressed categories of the population that subsist off of the land. These sponge iron plants are causing massive pollution problems in the regions around their locations which are negatively affecting the agricultural economy of the peasants and other poor people. In Jharsuguda and Sundargarh districts, farmers report that due to incessant emission of coal and iron dusts by the sponge iron plants, soil is getting harder and infertile. Agriculture is affected due to coal and iron dusts emitted by all such plants causing low yield and contamination of food grains. The peasants and tribal people subsisting on agro-based living now feel deprived of their traditional means of subsistence.



Now, it is worth understanding why people in general are up against industrialisation. In almost all projects, the government takes the decisions at its own will keeping in mind the interests of industrial houses intact. In the power tussle between the centre and the state over the issue of leasing mining, it is the poor tribals and weaker sections of people of the state who suffer ultimately (“Mining Ordinance”- Times of India, Bhubaneswar edition, 15th January 2015, p.1). The best example is Vedanta Alumina project at Lanjigarh of Kalahandi district. To people, money is not the solution. Money is a short –term solution of course, and a source of temptation toward alcoholism for poor and tribal. They are mainly agrarian people, where history is silent even, and surviving on agriculture with available resources. They are self-contented people and live within their social binding too. However, with the advent of industrialisation, their life is now affected with displacement and rehabilitation, infested with the fear of exploitation by the upper stratum, unemployment, and away from social binding.

Hence, rehabilitation is the major issue that could convince people to join the process of development but it has to be comprehensive, clear and people friendly. People must be included in the policy making team from the beginning and local conditions and problem must be given due importance while deriving the package of compensation. It seems difficult but not impossible. “Government as peoples ‘body must look after the problem of displacement and deal with it rehabilitation in an innovative way keeping people involved. But the government at the Centre, with its recent land policy, is bent on to go for industrialisation without consulting affected people” (Times of India, Bhubaneswar edition, 14th January 2015, p.6). If people are kept away from the decision making process, the gap between politicians, bureaucrats and people will be widened which may lead to more violent situation across the state of Odisha and block the process of industrialisation and also keep the state under the spell of poverty and backwardness perpetually.

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### ***Endnotes***

<sup>1</sup> *The Times of India*, Bhubaneswar edition. January 3, 2015 p. 5

<sup>2</sup> *The Sambad*, January 13, 2015 p. 5

## **Development of Skills: Conventional Education vs. Management Education**

V. T. VASAGAN

### **Abstract**

*Development of Skill is the core objective of any education. Innovation in conventional education, its system, curriculum and the contribution of research in different field of education has diversified the education discipline which led to specialization in several discipline, even gave birth to management education. Management Education in return focused on imparting skills through diversified structure according to the requirement of the society in employment rather than conventional education which was based on knowledge. Management Education in the recent past has over taken conventional educational due to gaining of employment among young aspirants who seeks employment and skill based education. But in the recent day's conventional education is gaining back its importance due to the reduction of providing placement service by management education. Today, employability of any education is based on skills. Thus, this study is undertaken to discover which education has more capability in imparting of skills that produce employable citizens.*

*This study has taken random sample of 100 personals consisting of 50 persons who have received conventional education and 50 persons who have received management education, currently engaged in various services in Government sector, Private Sector and own business. This study identifies the source of acquisition of skills to deliver the present service and which has real contribution in the present society.*

*This study is an attempt to emphasize skill-based education which has valid contribution to one's life and also that which enables him to make true contribution for the welfare of the society.*

**Key Words:** *Conventional Education; Management Education; Skills*

### **Introduction**

Education implants knowledge, subject and process which not only transforms the society but also trains young minds to attain desirable skills that contribute to thinking, understanding living skills in them which leads to social harmony and continuity of the society. Inventions, Innovations, Discoveries, Revolution and Scientific Knowledge are born from education. The knowledge of education differentiates a man from animal by his attainment of six sense.

According to M.K. Gandhi, “By education, I mean the all-round drawing out of the best in child and man’s body, mind and soul”. It means all-round development of skills. The present society acknowledge skilled persons by providing employment and due recognition since skills are the ability to do a work with minimum cost, time and energy for maximum output. This is necessary for a person involved in any economic activity which is based on skill. Furthermore, Education is the provision of a series of learning experiences which not only equip students but also impart knowledge, values, attitudes and skills with the ultimate aim of making them productive members of society. In this context, development of skills is the ultimate aim of present education. It can further be categorized into conventional education and management education.

### **Meaning of Conventional Education**

Traditional education which is also known as conventional education, refers to long-established customs found in schools that society traditionally used. Conventional Education promotes to adopt progressive education practices, a more holistic approach which focuses on individual students’ needs, self-expression and the development of skills. According to John Dewey (1938), the chief business of traditional education is to transmit to a next generation those skills, facts, and standards of moral and social conduct that adults consider to be necessary for the next generation’s material and social success. This education includes subjects of Humanities and Social Science which are imparted in traditional way.

### **Meaning of Management Education**

Management Education on other hand, is the process of planning, organizing, directing, controlling and evaluating to accomplish predetermined objectives of an institution through coordinated use of human and material resources. According to Henry Fayol, “To manage is to — forecast and plan, to organize, to command, to coordinate and to control.” Thus, Management Education provides knowledge on the process of planning, organizing, directing and controlling the activities of organizations by utilizing human and material resources so as to use them effectively and efficiently which accomplish functions of teaching, extension work and research. This education is based on skill and highly demanded by the present society which has employable capacity.

### ***Review of Literature***

There is a limited study available on the role of conventional education in skill development. Nandi et al (2000), in their research paper, pointed out

that the conventional education needs better curriculum for skill development of the students. Also Rupert Maclean et al, in their edited book, stated that skill-based education alone can bring inclusive and sustainable growth to any country. Pazhani, R.V. (2013) also stated that the current higher education should be quality oriented, which needs reforms, and must focus on imparting of skills. Sarita Chaudhary, et.al (2011), in her paper mentioned that quality and skill development are the major issues every management education organization should address to provide quality education. In the same line Attar Rabbani, (2013), also stated that, higher educational institutions also have to focus on quality and skill development. Even Umran Singh Chaudhari, (2013), points out that lack of quality and skill development is the main issues of Indian Higher Education.

### ***Need/Importance of the Study***

Many studies have been undertaken by many research scholars on the subject of conventional education in many areas and on management education in many areas. But no research work is undertaken to cross check the role of conventional education and management education in imparting of skills to the human society. This paper questions whether conventional education or management education plays better role in imparting required skills to the young minds; which education provides employability; what is the major concern to check the quality of education. Hence, this study has significance and as it compares the importance of conventional education and management education in the development of skills.

### ***Statement of the Problem***

Conventional Education claims that it provides basic knowledge, communication skill, innovation, creativity skills, arts skills, thinking skill and scientific temper (Adams Karlyn, 2005, 1-59) which are essential for a person to get employment in the society. But in the beginning of 21st Century, Management Education gained importance because of its employable capacity. It claims that it provides planning skill, organizing skill, directing skill and controlling skill which gained due importance in the society due to employable capacity. But in recent days, Management Education is losing its glory since its focus is on providing placement rather than imparting skills. According to Times of India Report Dated on 1st July 2013, nearly 94 management education institutions were shutdown in 2013 -2014 Academic year. Between 2011-13, 231 Institutions applied to AICTE to shutdown due to non availability of students. It is because conventional education regained its importance as before. Therefore, which education provides skills as per

the requirement of the society, which use the resources for the welfare of the society, are the main concern of the study of this paper?

### ***Objectives of the Study***

The main objective of this paper is to explore the role of conventional education and management education in the development of skills. It also seeks

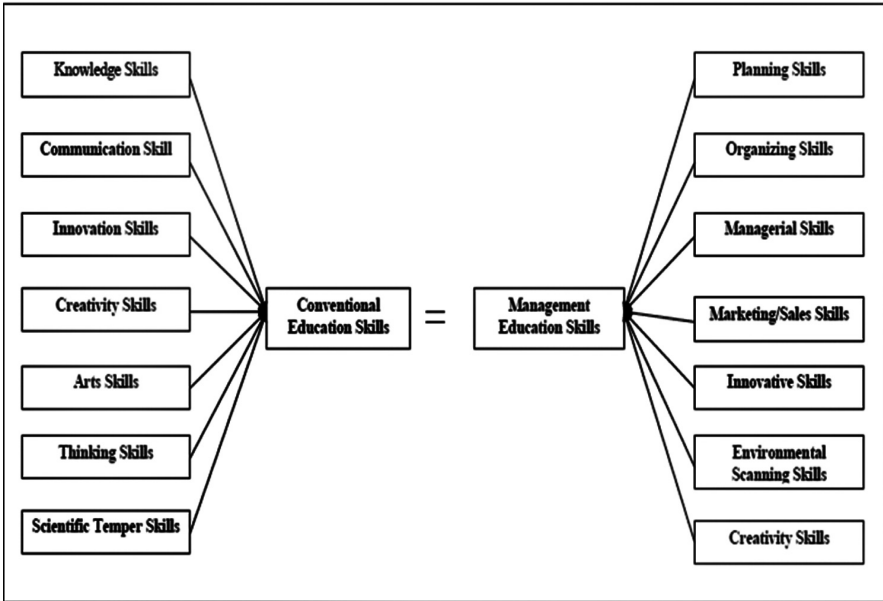
1. To identify the Conventional Education Skills and Management Education Skills.
2. To identify the validity of the Conventional Education Skills and Management Education Skills in developing and utilizing these skills in real life situation.

### ***Research Methodology***

This study is a collection of both primary data from 100 respondents and secondary data from research articles, books and websites related to the field. A random sample of 100 persons are taken which consists of 50 of persons who received conventional education and 50 persons who received management education, currently working in government, private, and doing personal business. The study is undertaken only in the area of Dimapur.

This study identifies seven skills of conventional education i.e knowledge, communication skill, innovation skills, creativity skills, arts skills, thinking skill and scientific temper skills and seven skills of management education which includes, according to Smith L. William (2007), planning skills, organizing skills, managerial skill, marketing/sales skill, innovative skill, environmental scanning skill, and creativity skill. The accumulation of all these skills determines employability. Each skill is identified with the help of five statements which have five different components related to the skills. Different Questionnaires for the management educated persons and conventional educated persons are prepared.

## Theoretical Framework



## Results & Discussion

Survey was conducted at two levels with two different groups according to the convenience of the scholar. Each skill has being identified by establishing fives statements of each, which are highly related to the skills. The following responses were received from the persons who received conventional education, currently working in different organization, some engaged in their own business.

**Table No 1: Conventional Educated Persons Response**

Sl. No	Skills	Response			
		Yes	%	No	%
1	Knowledge Skills	45	90	05	10
2	Communication Skills	38	76	12	24
3	Innovative Skills	13	26	37	74
4	Creative Skills	13	26	37	74
5	Arts Skills	11	22	39	78
6	Thinking Skills	50	100	00	0
8	Scientific Temper Skills	20	40	30	60
	<b>Total (Average)</b>	<b>27.14</b>	<b>54.28</b>	<b>22.86</b>	<b>45.72</b>

*Source:* Survey

As per the survey, 54.28% of the conventional educated persons have acquired skills. 90% have acquired knowledge, 76% have acquired

communication skills, 100% have acquired thinking skills, 26% have acquired innovative and creative skills, and only 40% have scientific temper skills.

Thus, conventional education is meeting the needs of the society by imparting skills. This is a clear pointer to the fact that these skills are part of the conventional education.

Then in order to study the management education, the following responses were received from the management educated persons given below were assessed.

**Table No 2: Management Education Persons Response**

Sl.No	Skills	Response			
		Yes	%	No	%
1	Planning Skills	42	84	08	16
2	Organizing Skills	35	70	15	30
3	Managerial Skills	33	66	17	34
4	Marketing/Sales Skills	42	84	08	16
5	Innovative Skills	38	76	12	24
6	Environment Scanning Skills	33	66	17	34
7	Creative Skills	37	74	13	26
	<b>Total (Average)</b>	<b>37.14</b>	<b>74.28</b>	<b>12.86</b>	<b>25.72</b>

*Source:* Survey

As per the survey 74.28 % of the management educated persons have acquired management skills. 84% of the persons have acquired planning skills and marketing skills, 76% have acquired innovative skills, 74% have acquired creative skills, 70% organizing skills and 66% managerial and environmental scanning skills. This shows that management education provided them required skills to get employment in the society and survey. Thus, management education is meeting the needs of the society. This is a clear pointer to the fact that these skills are part of the management education.



**Table No 3**

Common Opinion of the Respondent about Conventional vs. Management Education

Sl. No	Skills	Response			
		Yes	%	No	%
1	Conventional Education Provides Basic Knowledge to Management Education	100	100	0	0
2	Conventional Education Provides More skills rather than Management Education	20	20	80	80
3	Both are important	100	100	0	0
4	Conventional Education Possess more employable capacity rather than Management Education	35	35	65	65
5	Conventional Education Needs better Curriculum and Modification	100	100	0	0
6	Management Education Needs better Curriculum and Modification	50	50		

**Sources:** Survey

From the above table, it is clear that both the conventional and management educated persons agree that conventional education provides basic knowledge to management education. 80% of the persons agreed that management education provides better skills rather than conventional education, at the same time 100% agreed that both are important to the society. But 65% agreed that management education possess more employable capacity rather than conventional education, 100% who received both management education and conventional education said that conventional education needs better curriculum and modification, 50% persons who received management education said that management education needs better curriculum and modification, and better development of skills.

### ***Recommendations/Suggestions***

Any education system should understand the need of the society, accordingly the curriculum of the education should be constructed based on the objective to develop the skills of a person. The present conventional edu-

cation should be modified in such way that it add up skills in persons who takes the study. In the same line even the present management education curriculum should be modified; it should not be placement-based but development of skills-based. Both the education should posses employability in which a person becomes responsible citizen of the country which is the ultimate aim of education.

### ***Conclusion***

It is a proven fact that any task can be completed effectively and efficiently with the help of skills. The success of Education lies in the ability of producing employable and responsible citizen in the country. This is indeed the present need of the society which is saturated with thousands of educated unemployed. Thus, the base of education should be skills based because the success of a person lies with person's skills.

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## Diacritical Marks

### Vowels

आ ā

ई ī

ऊ ū

ए, ऐ ē } (long)

ओ, औ ō } (N.B. long ē and ō are for the particular syllables in Dravidic languages.)

ऋ ṛ and not ri; (long ऋ, which rarely figures, may be rendered as r̄) .

### Nasals

#### Anusvāra

(.) m̄ and not m̐

#### anunāsikas

ङ ṅ

ञ ñ

ण ṇ (or ṇa as the case may be)

### Hard aspirate

#### Visarga

(:) ḥ

### Consonants

#### Palatals

च ca and not cha

छ cha and not chha

#### Linguals

ट ṭa

ठ ṭha

ड ḍa

ढ ḍha and not ḷha

#### Sibilants

श śa

ष ṣa

स sa

#### Unclassified

ळ ḷa

क्ष kṣa and not ksha

ज्ञ jñā and not djñā

ल् ḷṛ and not ḷṛi

#### General Examples

*kṣamā* and not *kshamā*, *jñāna* and not *djñāna*, *Kṛṣṇa* and not *Kṛishṇa*, *sucāru chatra* and not *suchāru chhatra* etc. etc., *gaḍha* and not *gaḷha* or *garha*, (except in Hindi)

### Dravidic (conjuncts and specific) characters

ॠ ṛ̣

ॡ ṛ̣̣

ॢ ṛ̣̣̣

ॣ ṛ̣̣̣̣