Business Strategies
Practices and Innovations

ASM Business Review

(The Bi-annual Refereed Journal)

www.asmgroup.edu.in

ASM GROUP OF INSTITUTES

Business Strategies Practices and Innovations

ASM Group of Institutes: IBMR | IIBR | IPS | ICS | IMCOST | CSIT

Address- Survey No 29/1+2A'C' wing near PCMC building, Pune
Mumbai Highway, Pimpri, Pune-411018

I

Printing by:

From The Editor's Desk

This is the fourth issue of "ASM Business Review", the refereed research journal of the ASM group of Institutes.

ASM Group of Institutes is committed for qualitative research in academics and ASM Business Review is a product of its commitment. Audyogik Shikshan Mandal has been playing a pioneering role in the field of creative education ever since its inception in 1983. With a mission "Excellence in Management Education, Training, Consultancy and Research for success", ASM is marching towards excellence having more than 55000 alumni working at all levels of management in all types of industries.

ASM has seven full fledged academic institutions, has earned affiliation to Savitribai Phule Pune University and Mumbai University, Government of India and Government of Maharashtra. ASM has global vision for education and as a part of our academic commitment for excellence; we are in association with Savitribai Phule Pune University, AMMI, CETYS Universidad Mexico, City University of Seattle USA, Indo European Foundation Poland, Vistula University Poland, Politechnika Warszawka Poland, Szkola Glowna Gospodarstwa Wiejskiego Poland, Lazarski School of Commerce & Law Poland and University of Lodz Poland. ASM is spreading wings across the border for continuous upgrading academic excellence.

The ASM Business Review is a medium created by ASM to demonstrate the research skills of authors. It is a strong communication link between industry and academia and aims to work as a catalyst for knowledge sharing between various sections of society. ASM Business Review provides a platform for academic scholars and champions from industry to come together for common cause of developing innovative solutions to various problems faced by society and business entities. The present review is a medium to faculty members, research students and the like to present their research findings before the wider audience. The opportunity to publish their research results would provide ample motivation to this type of scholars. The previous issue of the Review received encouraging response from the academic and corporate community as well. Research articles accepted and printed herein are subject to objective editorial processing and are peer reviewed.

ASM Business Review looks forward as a strong link and partner for society and industry to develop workable solution for day to day problems. We believe our success is a team work of various contributions to this journal. ASM BUSINESS REVIEW is always committed to excel academic research and consultancy
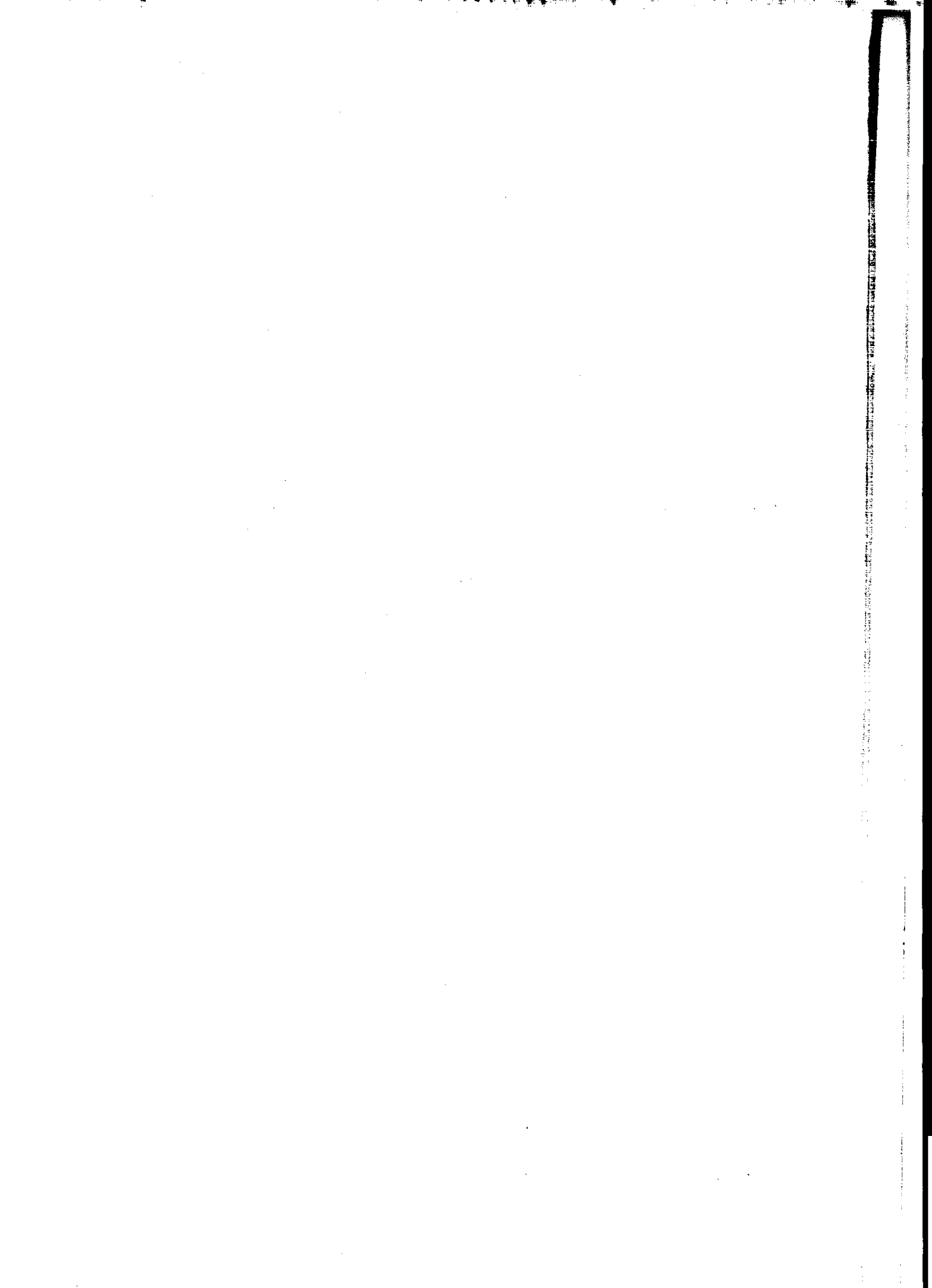
Dr. Asha Pachpande
Managing Trustee and Secretary,
Audyogik Shikshan Mandal,
Pune -411019 (India)

EDITORIAL BOARD

IV

INDEX

Study And Comparative Analysis Of Talent Management & Talent Management Practices Of Selected Domestic & Foreign Mnc's In Pune Region

Dr. (Mrs) Asha Pachpande
Director & research guide,
ASM's IBMR, Chinchwad, Pune
India

Mr. Punamkumar Hinge,
Research Student (HR)
ASM's IBMR,Chinchwad,Pune
punam_hinge@yahoo.co.in
Contact Mob No:9545506050

ABSTRACT:

According to a research at Harvard University, Talent Management is the number one concern of all top organizations in the world right now. This is because in order to be able to take advantage of the changing and growing markets, organizations must have good people in place. Having good people implies that organizations must know how to identify, manage, develop, keep and get the best out of their good people.

One of the biggest challenges facing companies all over the world is building and sustaining a strong talent pipeline. Not only do businesses need to adjust to shifting demographics and work force preferences, but they must also build new capabilities and revitalize their organizations — all while investing in new technologies, globalizing their operations and contending with new competitors.

***This research paper focus on** study and comparative analysis of levels in talent management & talent management practices of selected Indian domestic & foreign MNC's in Pune district, to understand their success ability in global market in terms of talent management policy, agility in business, rewards method, value based culture, training and development policy, succession planning, company compensation & benefits, employee management relation etc.*

Keywords: Talent management practices in Indian Domestic companies, Talent Management in Foreign MNC's

1. Introduction:

According to a research at Harvard University, Talent Management is the number one concern of all top organizations in the world right now. This is because in order to be able to take advantage of the changing and growing markets, organizations must have good people in place. Having good people implies that organizations must know how to identify, manage, develop, keep and get the best out of their good people.

One of the biggest challenges facing companies all over the world is building and sustaining a strong talent pipeline. Not only do businesses need to adjust to shifting demographics and work force preferences, but they must also build new capabilities and revitalize their organizations — all while investing in new technologies, globalizing their operations and contending with new competitors.

2. Objectives of the research:

1. To do comparative study of talent management practices, its satisfaction levels/ opinions of employee's between selected foreign MNC's and Indian domestic companies in Pune district area.

2. To find out innovative talent management practices in the foreign MNC's in Pune district area.

3. Research methodology:
The necessary data required to study is collected from primary as well as from Secondary Sources.

Type of research:
Quantitative & Qualitative research both.
Data sources:

i) **Primary Source:**
Employees working in selected domestic & Foreign MNC's from Pune district.

ii) **Secondary Source:**
This data is based on second hand information. The secondary data was collected through following methods:
Websites, E-Journals, E-Books

Research instruments:

The research instruments for the study were through the following method:

Questionnaire method (**53 questionnaires** on various aspects-of talent management) and personal interactions with the number of employees for getting quantitative & qualitative data for conducting research working in different organizations. Data was collected through Google forms

Sampling design

Population

PUNE DISTRICT AREA

Sampling technique

Non-probability Convenience sampling

(Only those employees who are permanent and have good experience were chosen to get the data accuracy).

Sample size:

-For Primary Data:

12 Employees (each from one company) from Selected Indian domestic companies as well as Foreign MNC's from Pune which consists-

Sr.no	Indian domestic companies	Foreign MNC's
1	Bajaj Auto	Sigma Electric,chakan
2	Schrader Duncan limited	Wirtgen India Pvt Ltd,Hadapsar
3	Indus Towers ltd.	John deere tractor,sanaswadi
4	Mahindra & Mahindra,chakan	Volks wagen india,chakan
5	Tata Autocomp System Ltd Pune	Symantec,baner
6	L&T infotech	SIEMENS PLM,hinjewadi

1 Employees from each company (total 12)

-For Secondary Data

Referred related e-journals, e-books, Hr forums and company websites, different Hr survey reports online.

Data analysis

It is based on **mean value** obtained from the analysis of Likert scale from the total of 53 Questionnaires responses. Other statistical tests have not been considered as its ongoing research and mean value is sufficient at first level to see the fulfillment of the objectives.

4. LIMITATIONS:

1. This study is limited to Pune District Only
2. As it's an ongoing research analysis is based on mean value obtained from the responses only.

3. As Questionnaire responses and analysis for mean value is too long, it has not shown on paper (Due to page limit only mean value is mentioned).

5. Findings of the research:

(Based on the mean value of the 53 Likert scale (Questionnaire) Responses).

1) Levels of satisfaction about the benefits (salary review) given by the company found more in foreign MNC's compared to Domestic companies. (Mean value for MNC is

4.3(satisfied-fully satisfied) and mean value for Domestic is 2.8(Dissatisfied-somewhat satisfied)}.

2) Levels of satisfaction about the benefits [leave policy] given by the company found more in foreign MNC's compared to Domestic companies. {Mean value for MNC is 4.5(satisfied-fully satisfied) and mean value for Domestic is 3.2(Somewhat satisfied-satisfied)}.

3) Levels of satisfaction about the benefits [health care benefits] given by the company found more in foreign MNC's compared to Domestic companies. {Mean value for MNC is 4.7(satisfied-fully satisfied) and mean value for Domestic is 3.3(Somewhat satisfied-satisfied)}.

4) Levels of satisfaction about the benefits [Medical insurance package] given by the company found more in MNC compared to Domestic companies. In foreign MNC companies Medical insurance package goes for in an average 3.5 lac/annum. {Mean value for MNC is 4.5(satisfied-fully satisfied) and mean value for Domestic is 3.3(Somewhat satisfied- satisfied)}.

5) Levels of satisfaction about the benefits [Retirement benefits. /Retirement plan] given by the company found more in MNC compared to Domestic companies. {Mean value for MNC is 3.8 (Somewhat satisfied- satisfied) and mean value for Domestic is 3.3(Somewhat satisfied- satisfied)}.

6) Levels of satisfaction about the benefits [Company saving plan] given by the company found more in foreign MNC's compared to Domestic companies. {Mean value for MNC is 3.5 (Somewhat satisfied- satisfied) and mean value for Domestic is 3(Somewhat satisfied)}.

7) Levels of satisfaction about the benefits [Holiday entitlement] given by the company found more in foreign MNC's compared to Domestic companies. It is found that foreign MNC companies even pay for Foreign holiday packages to their employees {Mean value for MNC is 4.3(satisfied-fully satisfied) and mean value for Domestic is 2.8(Somewhat satisfied- dissatisfied)}.

8) Levels of satisfaction about the benefits [Competitiveness in my salary] given by the company found more in MNC compared to Domestic companies. It is found that salary range is more in foreign MNC's compared to domestic companies {Mean value for MNC is 4.5(satisfied-fully satisfied) and mean value for Domestic is 3(Somewhat satisfied)}.

9) Levels of satisfaction about the benefits [Share/stock option plan] given by the company found more in foreign MNC's compared to Domestic companies. Companies like Symantec provides share/stock option plan for their employees. {Mean value for MNC is

3.7 (Somewhat satisfied- satisfied) and mean value for Domestic is 2.7(Somewhat satisfied- dissatisfied}.

10) Levels of satisfaction about the benefits [Compared to Job market] given by the company found more in foreign MNC's compared to Domestic companies. {Mean value for MNC is 4.2(satisfied-fully satisfied) and mean value for Domestic is 3(Somewhat satisfied)}.

11) Levels of satisfaction about the benefits [Maternity/paternity leave] given by the company found more in foreign MNC's compared to Domestic companies. Foreign MNC's have provisions for paternity leave for their male employees. {Mean value for MNC is 4(satisfied) and mean value for Domestic is 3.3(Somewhat satisfied- satisfied)}.

12) Levels of satisfaction about the benefits [Professional association membership] given by the company found more in foreign MNC's compared to Domestic companies. {Mean value for MNC is 3.8 (Somewhat satisfied- satisfied) and mean value for Domestic is 3.5(Somewhat satisfied- satisfied)}.

13) Levels of satisfaction about the benefits [The staff canteen] given by the company found more in foreign MNC's compared to Domestic companies. It is found that foreign MNC's provides more varieties and options when it comes about food and snacks. {Mean value for MNC is 4.3(satisfied-fully satisfied) and mean value for Domestic is 3.5(Somewhat satisfied- satisfied)}.

14) Levels of satisfaction about the benefits (You're hours of work given by the company) found more in foreign MNC's compared to Domestic companies. Hours of work are less in foreign MNC's compared to domestic companies. Foreign MNC's provides **two days weekly off** (Saturday /Sunday off) and domestic companies provides one day weekly off { Mean value for MNC is 4(satisfied) and mean value for Domestic is 3(Somewhat satisfied)}.

15) Levels of satisfaction about [The team they work] in the company found more in foreign MNC's compared to Domestic companies. {Mean value for MNC is 4.3(satisfied-fully satisfied) and mean value for Domestic is 3.7(Somewhat satisfied- satisfied)}.

16) Levels of satisfaction about the [Management to whom you are responsible] in the company found more in foreign MNC's compared to Domestic companies. {Mean value for MNC is 4.3(satisfied-fully satisfied) and mean value for Domestic is 3.7(Somewhat satisfied- satisfied)}.

17) Levels of satisfaction about the benefits [Child care costs/arrangement] given by the company found more in foreign MNC's compared to Domestic companies. {Mean value for MNC is 4(satisfied) and mean value for Domestic is 3.2(Somewhat satisfied- satisfied)}.

18) Levels of satisfaction about the [Job security] in the company found more in MNC's compared to Domestic companies. {Mean value for MNC is 4.3(satisfied-fully satisfied) and mean value for Domestic is 3.5(Somewhat satisfied- satisfied)}.

19) Levels of satisfaction about the [Educational benefits] given by the company found more in MNC's compared to Domestic companies. {Mean value for MNC is 4.2(satisfied-fully satisfied) and mean value for Domestic is 2.5(Somewhat satisfied- dissatisfied)}.

20) Levels of satisfaction about the benefits [subsidy on loan (Home/vehicle/education)] given by the company found more in foreign MNC's compared to Domestic companies. {Mean value for MNC is 3.8 (Somewhat satisfied- satisfied) and mean value for Domestic is 2.5(Somewhat satisfied- dissatisfied)}.

21) Foreign MNC Companies employees agreed more than Domestic companies employees that for total benefits program given by company meets their needs.{ Mean value for MNC is 4(Agree) and mean value for Domestic is 2.7(disagree-somewhat agree)}.

22) Foreign MNC employees benefit program is more competitive than domestic company's employees in the industry. {Mean value for MNC is 3.2 (better than most-one of the best) Company and mean value for Domestic is 2(better than some)}.

23) Foreign MNC employees are fairly compensated for the work they do compared to Domestic companies employees. {Mean value for MNC is 4.7(Agree-Fully agree) and mean value for Domestic is 2.8(Disagree-somewhat agree)}.

24) Foreign MNC's employees always feel more challenged in their current position compared to domestic company's employees. {Mean value for MNC is 4.3(Agree-Fully agree) and mean value for Domestic is 3.8(somewhat agree-agree)}.

25) Foreign MNC's employees are able to get more Job changes in their company (in terms of transfer, job rotation, department change, etc.) compared to domestic company's employees. {Mean value for MNC is 3.8(Sometimes-often) and mean value for Domestic is 3.3(Sometimes-often)}.

26) Foreign MNC's employees have feeling that their companies have more fair promotion policies compared to domestic company employees? {Mean value for MNC is 4(Agree) and mean value for Domestic is 3.2(Somewhat agree-Agree)}.

27) There are better policies at Foreign MNC's that encourage career growth and development opportunities compared to domestic companies {Mean value for MNC is 4.3(Agree-Fully agree) and mean value for Domestic is 3.5(somewhat agree-agree)}.

28) More Career advancement opportunities are possible at foreign MNC's compared to Domestic companies if openings occur. {Mean value for MNC is 4.2(often-Always) and mean value for Domestic is 3(sometimes)}.

29) Foreign MNC Companies allows and encourages to their employees more compared to domestic companies to pursue qualifications which they feel suitable for employee's personal growth and also allow them to take leaves for examination. {Mean value for MNC is 4(often) and mean value for Domestic is 3.5(sometimes-often)}.

30) Foreign MNC's takes more initiatives for sponsoring their employees to pursue additional qualification and reimburse for the same compared to domestic companies. {Mean values for MNC is 3.3(sometimes-often) and mean value for Domestic is 1.8 (never-rarely)}.

31) Foreign MNC's encourages more to their employees to stay for long life and make such an opportunity (career planning) for promotions to motivate them compared to Domestic companies. {Values for MNC are 3.8(sometimes-often) and mean value for Domestic is 2.8 (rarely-sometimes)}.

32) Foreign MNC Companies policy of increment is more adequate, fair and competitive enough with competitors in the same job market compared to domestic companies. {Mean value for MNC is 4(Agree) and mean value for Domestic is 3.3(somewhat agree-agree)}.

33) Foreign MNC's employees are more rewarded when they go above and beyond what is expected in their job compared to domestic companies employees.{ Mean value for MNC is 4(Agree) and mean value for Domestic is 3.3(somewhat agree-agree)}.

34) TRAINING & DEVELOPMENT satisfaction level about Quality of training (material) is quiet more in MNC's compared to Domestic companies. {Mean value for MNC is 4.3 (satisfied- fully satisfied) and mean value for Domestic is 3.3(Somewhat satisfied-satisfied)}.

35) TRAINING & DEVELOPMENT satisfaction level about Effectiveness of the instructor is more in MNC's compared to domestic companies.{Mean value for MNC is 4.2 (satisfied- fully satisfied) and mean value for Domestic is 3.7(Somewhat satisfied-satisfied)}.

36) TRAINING & DEVELOPMENT satisfaction level about applicability of the training to employee's job is more in foreign MNC's compared to domestic companies. {Mean value for MNC is 4.3 (satisfied- fully satisfied) and mean value for Domestic is 3.8(Somewhat satisfied- satisfied).

37) TRAINING & DEVELOPMENT satisfaction level at MNC companies to promote employees to attend outdoor training program and invest for the same is more compared to Domestic companies. It is also found that foreign MNC's like Volkswagen, Symantec etc sends their employees to abroad for training.{ Mean value for MNC is 4.3 {(satisfied-fully satisfied) and mean value for Domestic is 3.7(Somewhat satisfied- satisfied)}.

38) Overall level of satisfaction with the training activities at MNC's is high compared to domestic companies. {Mean value for MNC is 4.3 (satisfied- fully satisfied) and mean value for Domestic is 3.2(Somewhat satisfied- satisfied)}.

39) Foreign MNC's invest more fairly in training and development activities compared to Domestic companies. {Mean value for MNC is 4.5(Agree-fully agree) and mean value for Domestic is 3.5(somewhat agree-agree)}.

40) Organizations culture at MNC's are found quiet good compared to Domestic companies, to stay for long-term. {Mean value for MNC is 4.8 (very well-Extremely) and mean value for Domestic is 3.2(moderately well-very well)}.

41) Culture of MNC organizations found more healthy compared to Domestic companies {Mean value for MNC is 4.7 {(somewhat likely-very likely) and mean value for Domestic is 3.2 (neutral-somewhat likely)}.

42) Foreign MNC's management more frequently allows their employees (take suggestions) to participate in management decisions in their area or other area of the company compared to Domestic Companies. {Mean value for MNC is 3.3 (sometimes-often) and mean value for Domestic is 2.5 (rarely-sometimes)}.

43) Foreign MNC's employees say that their companies have best work-culture which they know in their area/field compared to the opinions of employees of Domestic organizations. {Mean value for MNC is 4.5 (very well-Extremely well) and mean value for Domestic is 3.7 (moderately well-very well)}.

44) It is found that foreign MNC's employees are more likely interested to recommend their company to a friend, relatives to work compared to the employees of Domestic companies .{Mean value for MNC is4.7 (somewhat likely-very likely) and mean value for Domestic is 3.2 (neutral-somewhat likely).

45) Foreign MNC's employees are treated more fairly at the company compared to Domestic companies. {Mean value for MNC is 4.2 (Agree-fully agree) and mean value for Domestic is 3.5(somewhat agree-agree)}.

46) Foreign MNC's employees feel more comfortable going to their managers with any issues and/or concerns compared to Domestic companies. {Mean value for MNC is 4.5(Agree-fully agree) and mean value for Domestic is 4(agree)}.

47) Foreign MNC's employees agree that their managers are a good coach/mentor) compared to Domestic companies employees manager. {Mean value for MNC is 4.7(Agree-fully agree) and mean value for Domestic is 4(agree)}.

48) In Both the cases Foreign MNC's and domestic companies it is found that Management provides adequate information about the company to their employees. {Mean value for MNC is 3.5(sometimes-often) and mean value for Domestic is 3.5(sometimes-often)}.

49) There is more effective communication within department in MNC companies compared to Domestic companies. {Mean value for MNC is 4.7(often-always) and mean value for Domestic is 4.3(often-always)}.

50) Overall Foreign MNC companies employees work experience at the company is more satisfying and rewarding compared to Domestic companies. {Mean value for MNC is 4.2(Agree-fully agree) and mean value for Domestic is 3.5(somewhat agree-agree)}.

51) Foreign MNC's employees receive more right amount of recognition and acknowledgement from their manager compared to Domestic company's employees. {Mean value for MNC is 4.2(often-always) and mean value for Domestic is 3.8(sometimes-often)}.

52) Overall foreign MNC's employees are more satisfied with company's personnel policies compared to Domestic Companies employees. {Mean value for MNC is 4.7 (Moderately satisfied- Extremely satisfied) and mean value for Domestic is 3.8 (Dissatisfied - Moderately dissatisfied)}.

53) Overall foreign MNC's employees are more satisfied with company as a place to work as compared to other companies they know compared to Domestic Companies employees.{mean value for MNC is 4.8 (Moderately satisfied- Extremely satisfied) and mean value for Domestic is 3.5 (Dissatisfied -Moderately Dissatisfied}.

6. CONCLUSION:

From the above findings it is found that foreign MNC companies have more inclination towards having innovative and motivating talent management practices compared to domestic companies. Foreign MNC's understand the needs of employees and try to match organizational interest with employee's personal interest. Foreign MNC's believes in Hospitality of employees. MNC's are having priority towards employees and believe that company success ability depends on employees interest and motivation level at company and that is why they focus more on employee's satisfaction, their personal growth, long term employability, benefits, fulfillment of desires, etc. MNC's like Wirtgen India Pvt Ltd (employees working at service/customer end/supplier end), Symantec, provide work freedom policies like employees work directly from home/at suppliers end without reporting everyday to company. Five days/week working at MNC's always keep their employees productive, healthy, interested and happy at work place and in their personal life. Training activities at abroad for employees, unlimited varieties at canteen for food, flexi work timings, freedom at work ,tools like management by objectives(not by time worked), competitive salary in the market, sponsoring for higher education for employees and investing on it, excellent

employee management relation, value based culture, air tickets for company work, foreign holiday package entitlement, fair promotion policies, Job security, excellent salary reviews, stock/share option plan, family day, cultural activities, sports activities, for employees are some innovative talent management practices at Foreign MNC's working in Pune area. Compared to them domestic companies lacks in such excellent practices. Indian Domestic companies require having enough competitive talent management practices to develop, sustain in the global market as of Foreign MNC's.

7. BIBLIOGRAPHY:

1 *Integrated talent management part1: Understanding the opportunities for success. (2008 July).*

2. Research methodology, C. R. Kothari, New age international publication.

Managing 'Sustainability

Prof J.A.Kulkarni

Associate Professor,

ASM Group Of Institutes

Chinchwad Pune 41101, India.

Mobile: 09822004964

Email id: jaikumar78@vsnl.net

Dr Sandeep Pachpande

Chairman Asm Group Of Institutes Pune.

ASM Group Of Institutes

Chinchwad Pune 41101, India.

Mobile: 09422009213

Email id : Chairman@asmedu.org

ABSTRACT :

The Paper attempts to list down important reasons for the urgency in focus and regulatory steps required for Sustainability Management on global scale. Also it helps clarifying the major role to be played by the corporate world in ensuring sustainability of quality of life on our planet. While highlighting areas where in major catastrophes are likely based on past and present experiences, it also brings out concerns expressed by global organizations in prescribing regulatory controls needed to avoid vulnerable situations threatening sustainability.

The appropriate model for defining interactive and interdependent trilogy of sustainability in terms of Economic, Environmental and Social aspects forms an important part of this narration.

The tools to identify the areas of focused actions for ensuring sustainability are also briefly enumerated in the paper. The Steps initiated in India to combat threats to Sustainability, along with major impediments in implementation of regulatory requirements for sustainability Management are the ones which appear as major concerns for compliance, get focused in the concluding part of the paper. The Reporting mechanisms as stipulated by SEBI and Ministry of Company affairs Govt of India are also included in the text including the recent amendments to CSR requirements from Indian Corporates.

The Text on Triple Bottom Line (TBL) helps clarify systematic approach to Sustainability management along with globally acceptable processes for TBLR reporting, recommended for Sustainability measurement and reporting by corporate entities.

Key Words: Corporate Sustainability, Trilogy, Triple bottom line reporting

Sustainability Factors-Cororates Need To Focus

Social Influences on Business:

Society & and social aspects are in fact the real origins and drivers for any business enterprise from aboriginal societies to highly developed internet societies of today. Most of the social needs and behavioral patterns are governed mainly by regional cultures values and

beliefs. Recently however we have the cross cultural interactions, and multi domestic organizations in which the impact of internet society is emerging as predominant factor influencing products and services supply chains. The local, the national and international societies either singularly or at times combined, including the regulatory authorities influence the businesses parameters for the highly essential 'cultural fit' of its operations with the surroundings. But most of these factors are likely to be beyond the control of individual businesses making them vulnerable to unpredictable demands on normal operations. Added to the above are the requirements of Corporate Social Responsibilities (CSR) ever exploited by the politicizations of such norms to be in favor of the vote banks.

The newer element to enter in to the milieu of social needs are the stringent aspects of Environmental Sustainability factors which basically focus on preserving the natural resources for future generations as also to ensure adequate developments by business and industry to improve & sustain the quality of life not only for the humans as also for the flora & fauna in the universe. The insistence is on preservation of good qualities of air, water and earth strata along with advent of alternate less polluting sources of energy, avoid depletion of rare minerals and oils. The climate change calamities and prohibition of use of green house destructive technology and products in the global arena are few more awareness factors compelling the businesses to reverse their age old technologies and product/process features to ensure compliance to respective regulations.

The emergence of fast foods, newer products and services in personal hygiene and beauty products, the influx of Internet supporting multimedia and social media outlets for jet speed communications & contacts including totally altered educational models, the nucleus family structures have brought in paradigm shifts in every aspect of social behaviors &interactions and as a result we have unforeseen unpredictable demands on business and industry. Along with these changes what has greatly changed is the cultural norms of internet society. The depletion of religious and respectful (considered as essential aspects so far) behaviors between generations , right up to interactions between parents and their children today, may at times be culturally shocking and create serious conflicts & socially disturbing consequences. This obviously has a telling effect on businesses trying to maintain their focus on ensuring survival amidst issues of corruption/bribery complicated further by gender bias and permissible behaviors between genders. While environmental factors external to the ground level society are to be accounted, the real society (People) offers steeper and deeper strains on the conduct of normal business operations.

Society as an important element of business environment makes itself difficult to follow historically appreciated strategy formulation methodology and practices. The concepts of Port Folio analysis techniques appear highly inadequate. Even factors to be scanned through scenario planning exercises appear futile in view of faster speed of social change and challenge. leave alone conducting a realistic OA.

To summarize, the business environmental factors even though are of utmost importance are 'good to hear' in nature and very difficult to incorporate effectively in OA exercises & strategy formulation. The efforts made need to be very divergent and radically different from established formats and procedures. It is obvious that all the three major factors of business environment the Technology, the Economy and the Society of present days have crossed all national and globally accepted concepts and a near to reality definition would have to be the one keeping pace with high speed of changes, some being natural while majority are manmade.

The stake holders interest maximization, the very definitions of real and virtual stake holders, which are the essential drivers of any business strategy formulations increase the complexity in finding a reliable way forward .This of course will be one of the topics of discussions as we proceed reading further. *Quote:*

"Unlike other species, we combine socialization with deliberate changes in social behavior and organization over time. Consequently, the patterns of human society differ from place to place and era to era and across cultures, making the social world a very complex and dynamic environment". Unquote

Impact of Sustainability Criteria on Business Ethics and Corporate Social Responsibility

The definitions of Successful organizations has been undergoing a paradigm shift with the concerns of Sustainability, Business Ethics and Corporate Social Responsibilities gaining priority over the mere focus on profits & consumerism in OA dimensions.

Over the previous two decades the gravity of depletion of life sustaining essentials such as pure air, water & normal Climatic Conditions is posing a severe threat to continuance of hitherto acceptable aspects of Production and distribution of goods & services .The concerns of Climatic Changes leading to catastrophic consequences of Global Warming and non predictive instances of havocs caused by extreme temperatures(Extreme cold conditions in Europe & US attributed to Arctic Vortex and Near boiling hot conditions in Australia & Latin American countries due to El Nino effects) are compelling the global regulatory authorities sit up and take serious note of products, processes and services in every business activity across the globe. Much of the focus of modern day acceptable performance of goods and service providers across the globe is on effective compliance to regulatory requirements of Environmental protection & overall Sustainability factors. Earlier norms of better utilization of natural resources like air, water and minerals & mining including coal & chemicals are considered prohibitive beyond permissible limits set out for ensuring Sustainability .

What is Sustainability?

Sustainability is derived from two Latin words: 'sus' which means 'up' and 'tenere' which means 'to hold'. In Its modern form it is a concept born out of the desire of humanity to continue to exist on planet earth for a very long time, perhaps the in definite future. Sustainability is, hence, essentially and almost literally about holding up human existence. Possibly, the most succinct articulation of the issue can be found in the Report of the World Commission on Environment and Development. The report titled 'Our Common Future' primarily addressed the closely related issue of Sustainable Development **Sustainable development is not axed state of harmony, but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs'.**

We do not pretend that the process is easy or straightforward. Painful choices have to be made. Thus, in the final analysis, sustainable development must rest on political will. Sustainability and the closely related concept of sustainable development are, therefore, very human constructs whose objective is to insure the very survival of humanity in a reasonably civilized mode of existence.

Concept Of Sustainability:
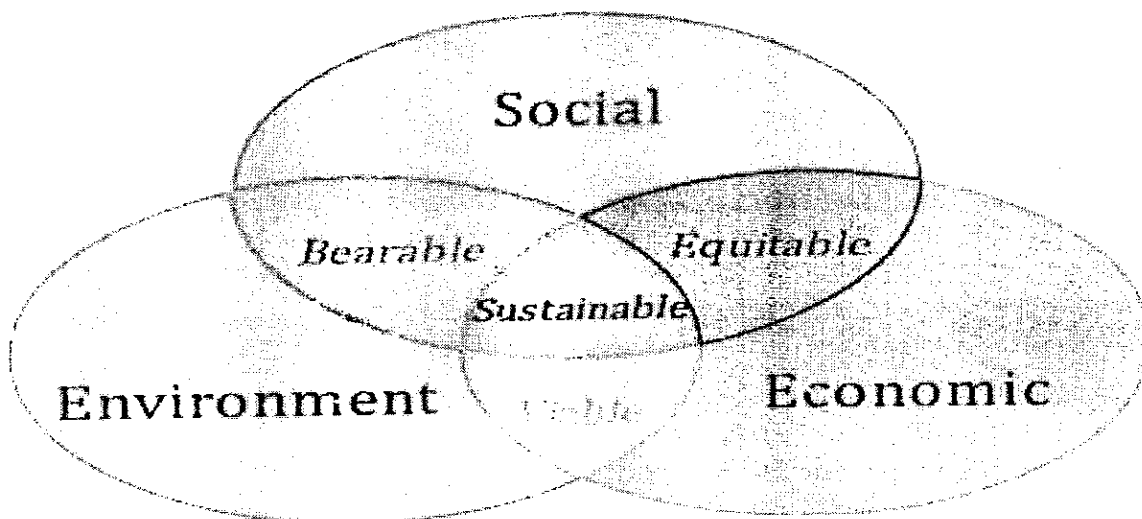
(COURTESY: TEXT BOOK ON SUSTAINABILITY Editor s:Tom Thais & Jonathan Trot)

Over the previous few decades the issues of business sustainability have been overriding global business models, due to tremendous pressures and regulatory requirements of compliance to sustainability requirements in almost all types of businesses from matchsticks to microbiology.

Each element of business organization inclusive of its socio-economic situations is asking for its pound of flesh to ensure survival with sustainability confirmations. The above diagram depicts a typical model to explain the mutually dependant nature of these factors and is a strong attempt to nullify the terms such as bearable, equitable & viable from the hitherto acceptable dimensions for business model acceptance and establishments.

Sustainability transcends the boundaries of social, economical, & environmental frame work for global business. Sustainable business has to necessarily satisfy the trilogy of these three dimensions and provide an exclusive compliance and comfort feeling, in spite of all the variables and their individual and cumulative Influences. One can only imagine the intricacies involved in maintaining a constant balance between the social, economical & environmental aspects in ensuring eternally sustainable business set up.

The above aspects render the objectives of organizational appraisal, all the more complex and overtly dynamic. The whirlpool combinations of the three forces in the trilogy make it near impossible to develop a standard format for OA exercises.

Advancements in strategic management concepts such as Blue & Red Ocean Strategy coupled with interactive models of cloud computing and cognitive Intelligence parameters are further pushing the very contents of OA to more intangible areas of business where in success or failures in business are reduced to symptoms rather than in measurable parameters. We can only imagine the absolute inadequacy of concepts such as SWOT analysis along with other portfolio analysis models of organizational appraisal which were taught rigorously at B-Schools & Universities.

The scaring thoughts on global warming (Green house gases & their effects), the fears of disastrous fallouts of nuclear power plants, the likely catastrophe due to global endemics such as bird flu and HIV viruses and now EBOLA, weapons of mass destruction(Chemical & biological weapons), the spread of global terrorism and religious fundamentalism, and the steeply eroding social values, intolerance of natural diversity are few of the consequential factors which need our attention before attempting to satisfactorily address issues of business sustainability.

Developing a cause – effect correlation itself is at times very difficult and sketchy. If, for example we presume that there is a much greater awareness and compliance to sustainability requirements in developing countries, the recent catastrophic episodes of snow storms in the US, Europe and blood boiling temperatures in Australia and few Latin American countries defy this confidence.

The environmental pollution situations are highly complex and precarious in developed countries compared not so developed ones. The money spent on war heads & in the control of scams and espionages is much more in developed countries in relation to others. May be we

need to redefine sustainable development as contrary or much different from the meaning attached to development of nations as understood and practiced so far?

On the global economic scenario the situation is not much different, The situations look so uncertain that even in a country like America we saw recently that the entire economic activity came to standstill (shut shop) due to lack of support to health care schemes and on the other hand disputes on account of taxation laws((The much spoken American Economic Cliff)etc.

The migration of major markets& businesses from developed to developing countries especially in the auto & retail sectors due to lack of domestic markets for business growth congest & pollute the environment in the host countries (China & India are already facing acute situations of environmental pollution due to influx of number of vehicles on the roads& economic side effects in unorganized retail).

The pollution of water and air due to Industrial waste disposal has risen to alarming dimensions. The ghastly pictures of pedestrians in cities like Beijing wearing breathing masks and the holiest river Ganges in India becoming the most polluted due to industrial waste disposal are glaring examples of threats to social and environmental sustainability. The levels of unemployment (partly due to impact of E-commerce) at the global level are scaring along with burgeoning rise of population & health issues across the all developing nations. Malnutrition and epidemics of course are un ending, hunger and exploitation are at the peak even in the 21st Century as well. One does not know exactly whether the snowballing effect of terrorism& fundamentalisms could be basically due to glaring economic disparities or efforts in high jacking major resources such as oil &natural gas etc.

US President Barak Obama in his State of Union Address on 28 th January 2014 said :Quote: "Let's face it: that belief has suffered some serious blows. Over more than three decades, even before the great recession hit, massive shifts in technology and global competition had eliminated a lot of good, middle-class jobs, and weakened the economic foundations that the families depend on. Today, after four years of economic growth, corporate profits and stock prices have rarely been higher, and those at the top have never done better. But average wages have barely budged. Inequality has deepened. Upward mobility has stalled. The cold, hard fact is that even in the midst of recovery, too many Americans are working more than ever just to get by - let alone get ahead. And too many still aren't working at all." Un quote.US President further promises a "year of action" in his annual State of the Union address, saying he will bypass Congress to tackle economic inequality.

Some of the major observations made during the World Economic Forum at Davos in January 2014 express deeper concerns of the world leaders on critical issues on global Sustainability which are quoted as support data for the above comments made in this paper.

1. For the first time in nearly seven years the business and political elite who gathered in Davos WEF were able to focus on long term sustainability issues rather than short term economic crisis. The lime light for the discussions were on 'Risk' to the future prosperity caused by high unemployment, social tensions & riots , widening income disparity and the destabilizing effects of technological changes across the globe.

2. With automation you are going to find a whole country a major bunch of societies will go out of work.

3. Income inequality will be the major obstacle to global growth in the next decade. This represents threat to business in general, undermining future demand for goods and services, will force governments to impose tighter regulations resulting in civil unrests.

4. 'The rich have grown richer and the poor have been rendered poorer'-since the financial crisis. ILO has warned that employment isn't expanding quickly enough comparing global population growth and consequent jobless recovery if any.

5. Unease over unemployment is getting compounded by quickening the pace of innovation with new technologies such as 3D printing, threatening to make many jobs obsolete. Unemployment is going to be the defining problem for the next two to three decades. The additional risk is shortage of skills necessary as technology advances.

6. Rampant immigration to greener pastures is forcing tightening of immigration rules. Consequent blockage of sincere efforts in acquiring higher skills for employment-this appears ridiculous.

India & Sustainability:

The significance of corporate social sustainability and corporate responsibility, which encompass environmental protection, safe working conditions and socially responsible corporate governance has been increasing over the previous few decades across the globe and India being one of the emerging markets cannot escape this responsibility as a Global player and citizen. In India deliberations around corporate sustainability are centerd at present only with the subsets of overall sustainability.

The major drivers for sustainability are the compliance regulations as linked with the listing requirements for corporate. The major aspect of concern is the lack of required initiative by all the Industries involved for compliance to sustainability regulations as of now only few major corporate have initiated concrete steps in their operations as compliant to sustainability regulations.

The core components of sustainable business models and initiatives are:

(As recommended by Frost and Sullivan Sustainability Business model for Sustainable Business)

1. AS a First step, map all the sustainability challenges and risk areas across the organizational value chains.
2. Identify the critical areas requiring urgent & priority focus
3. Construct a road map for sustainability identifying both strategic and tactical goals.
4. Identify the stake holder expectations and build the same in to the road map and goals.
5. These sustainability goals should have a clear link to the business strategy and drivers.
6 CSR activities to be strategically formulated and planned.
7. Train the concerned employees and other stake holders to be a part of the process to achieve the required cultural change all across the organization
8. Include the sustainability goals in the Individual Key result areas (KRAs).
9. Hand- hold (Support) all the major supply chain partners to thoroughly imbibe
10. Regularly report on the compliance status on Sustainability Reporting formats to concerned regulatory authorities.

The 'TRIPLE BOTTOM'- frame work:

In order to develop a focused approach to sustainability issues as discussed above and also with a view to ensuring uniformity in understanding and implementation on global sustainability issues by all concerned the 'Triple Bottom Line Reporting(TBLR)' was conceived by Mr. Stephan Scmidheiny, Chairman -World Business Council for Sustainable Development(WBCSID) early in the 1990s had pronounced that 'Global corporations wishing to create sustainable wealth on long term basis have pay equal attention to the three important factors of

1. People

2. Planet

3. Profits (Economic Wealth / Value Addition EVA)

This came to be popularly known as the 'Triple Bottom Frame Work' on sustainability

The general understanding of the three elements of the triple bottom line ib business set ups is as follows

People: The customers, employees, shareholders, financiers, society, governments, domestic and global demography.

Planet: The Earth, water, air, the flora &fauna, resources such as oils & minerals, coal, forests, the green house effect, pollutants like emission gases & fluids, refrigerants, organic and inorganic non biodegradable wastes etc.

Profits: Earnings from business devoid of greed, exploitation, deception, corruption, hoarding, transparent-fair- equanimous, inclusiveness and creating usable national & global wealth.

According to Dr Kenichi Ohmae (The Borderless World - In The Interlinked Economy - 2003)

" A Business is no longer an economic Instrument. The purpose of business is not only to make profits. It is to make profits in order to continue to do things and to do so even better and more abundantly to maximize its stake holder interests (Planet & Society)."

During the previous two decades or more, the expectations of the common man from corporations have had a paradigm shift from a mere expectation of means of survival, the focus has been on the quality of people, quality of the environment and over and above the quality of governance. In a 'Millennium survey' more than 2/3rds respondents have been highly critical of corporate greed. They have categorically stated that they will punish the corporations which indulge in disregarding the environmental safety and disrespecting their corporate social responsibilities. In a nutshell the corporations focusing merely on profiteering would have to face the doom days ahead.

Traditionally the businesses have been focusing on single bottom line approach, ie to reduce costs and maximize profits. But as on today the organizations whose objectives are inclusive of providing a sustainable future to its stake holders will have to essentially adopt the Triple Bottom Line approach in each one of their functional and organizational goals and need to provide proofs of its alliance to it through periodical returns on organizational performance on these three aspects of people, planet and profits.

Conclusions:

The Issues involved in recommending/regulating, planning & execution of important factors of Sustainability trilogy of Social, Environmental & Economic are quite complex and the current levels of its understanding are grossly inadequate. We need to relook and review the overall spectrum on sustainability with Conviction, Commitment and Sincerity of purpose.

Perhaps a limited but comprehensive exercise needs to be made in selected vulnerable locations on the global overall environment to establish the positive effects of steps for managing sustainability. Equally important is the complete involvement and concurrence of all the stake holders in the exercise/execution of sustainability management strategies. In the absence of focused strategies we seem to be drifting from the main objectives of ensuring global sustainability leading to oft repeated blame games and futile monkey passing games. From one shoulder t to the other and in the process increasing in multifold the threats for

Global issues on Sustainability. The earlier the world leaders assigned with this responsibility realize this the more secure the future generations can aspire for.

References

- http://www.whitehouse.gov/the-press-office/2014/01/28/president-barack-obamas-state-union-address
- ACBE (2000), Value, Growth, Success – how sustainable is your business? A briefing note for directors, ACBE, London.
- ACCA (2000), Turnbull, Internal Control and Wider Aspects of Risk, Association of Chartered Certified Accountants/Accountability, London.
- Brancato, C. (1997), Communicating Corporate Performance: a delicate balance, The Conference Board Special report 97-1, New York.
- Cowe, R. (2001), Stakes not Shares, New Economics Foundation pocketbook, London.
- Doane, D. (2000), Corporate Spin: the troubles teenage years of social reporting, New Economics Foundation, London.
- Ehin, C. (2000), Unleashing Intellectual Capital, Butterworth Heinemann, Woburn MA.
- Goyder. M. (1998), Sooner, Sharper, Simpler: a lean vision of an inclusive Annual Report, Centre for Tomorrow's Company, London.
- Hutton, W. (2001), Putting Back the P in PLC, Industrial Society, London.
- Klein, D. (ed) (1998), The Strategic Management of Intellectual Capital, Butterworth Heinemann, Woburn MA.
- Klein. N. (2000), No Logo: taking aim at the brand bullies, Flamingo/HarperCollins, London.
- MacGillivray, A. & Walker, P. (2000), 'Local Social Capital: measuring it on the ground', in: Schuller,
- T. et al (eds), Social Capital: critical perspectives, Oxford University Press, Oxford.
- MacGillivray, A. & Doane, D., (2001), Investing in Intangibles: social capital for business,New Economics Foundation & ACCA, London, forthcoming.
- Power, M. (1999), The Audit Society: rituals of verification, Oxford University press, Oxford.
- Rifkin, J. (1996). The End of Work: technology, jobs and your future.

******

Indian Food Processing Industry: A Preliminary Survey

Dr. Santosh Dastane
Director-Research, ASM's IBMR,
Chinchwad, Pune, Maharashtra, India

Amit Vishnu Hullale
Research Student, ASM's IBMR,
Chinchwad, Pune, Maharashtra, India
amit.hullale@gmail.com ~ 09096964542

ABSTRACT:

With the expanding scope of processed food industry in India it has become a critical task to provide safe and secure food to citizens. Also the explosive population growth has put the pressure on the food production, distribution and processing. It is important to govern and direct this industry, which caters the need of food of country with second largest population. This paper is an effort to identify various boards and institution governing the industry. It is also considers the laws, rules and regulations related to industry. It collects the preliminary information about the industry.

Keywords: food processing, Industry, institutions, boards.

Introduction:

India is a country with difference, and these differences significantly be seen through demographic and cultural dynamics arising from geographic and religious conventions. These differences also percolate to food habits and preferences. Tenure of Mughal and British rule has influenced Indian food a lot. But the impact posed by western culture and food habits after globalization and liberalization of economy is great. Indians also have a strong preference for fresh products and traditional spices and ingredients, which has greatly slowed the penetration of North American-style processed foods **SumantSarin Clayton Barrows (2005)**. Industrialization in India has improved status and ranking among the top industrialized countries. Significant growth of Information Communication Technology (ICT) industry which is led by middle class, in turn provided nourishing environment for development of large industrial and metropolitan cities. Increase in disposal income, decentralization of family and increase in number of working women are things to name a few which significantly supported the acceptance of fast and processed food culture. With the expanding scope of processed food industry in India it has become the critical task to provide safe and secure food to citizens. Also the explosive population growth has put the pressure on the food production, distribution and processing. It is important to govern and direct the industry which caters the need of food of country with second largest population.

In last few decades the Indian food processing industry is experiencing good growth. It also has the support of government of India which is reflected in last few five year plans. The total plan outlay of the Ministry rose from 650 crore during the 10th Plan to 4.031 crore

during the 11th Plan.(Ministry of Food Processing Industries (2011) Government of India Draft Report of Working Group Food Processing Industries for 12th Five Year Plan)

Huge population of India with ever increasing hunger for quality makes food industry as its significant part. According to Ernst & Young (2009) report Food constitutes about 30% of the consumer wallet. Such an enormous consumer base creates many opportunities to all stake holders. Though the preference to fresh food is deep-rooted in Indian culture, current dynamic lifestyle demands partially or totally processed food or cooking elements. Awasthi. D, Jaggi. R, Padmanand. V, (2006) says "Food processing adds value, enhances shelf life and encourages crop diversification. Moreover, it is employment intensive and generates 1.8 direct employments per ten lakh rupee of investment and 6.4 employments indirectly."

Processed food:

Processed food mainly categorized into following major sectors

- Fruits and vegetables
- Milk and milk products
- Meat and poultry
- Marine products
- Grain Processing

Many classifications of processed food are available. According to classification given in Flavors of incredible India (2009) report of Ernst & Young processed food can be divided into Primary processed food, secondary processed products and tertiary processed products according to processing done on the food. Primary processed are in original state as they produced, Secondary processed products have basic level of processing like grading, sorting,cleaning, cutting, etc. whiletertiary processed products processed to high value addition with different form and shape.

Among the other various classification of food and processed food products Deloitte report published in 2009 under the guidance of Government of India gives a comprehensive picture. It also considers value addition to the primary processed products.

Food products are classified into primary and value added products based on the value addition:

	Primary Processed Products	Value Added Products
Agriculture	Milled Grains, Spices	Beverages, Ready to Eat/Cook/Drink Products, Bakery Products, Processed Dry fruits
	Fruits and Vegetables	
	Tea and Coffee	
	Sugar	Confectionery
	Edible Oil (Depending on processing level)	

	Milk	UHT Milk, Milk Powder, etc. Ice-cream
Livestock	Eggs, Meat	Egg Powder, Packaged Meat and Preparations
Fisheries	Processed Aquatic Food (Depending on Fisheries processing level)	

Source: Deloitte report (2009)

Ministry and associated structure/ framework

In India Ministry of Food Processing Industries takes care of the food processing sector. There are four different boards which look after four different perspective of the industry.

1.National Institute of Food Technology Entrepreneurship and Management:

The institute was established by ministry of food processing industries (MoFPI) in the year of 2006 and situated at Kundli, Haryana. The institute was set up as an apex institution in the field of food technology processing to facilitate the growth of entrepreneurship and management within the industry. It aims to offer international center of excellence which could provide industry specific educational and research program with management orientation. It also expected to act as business incubation facility and support the regulatory framework to set up the standards. The institute will have following theme centers focusing on different sectors such as dairy, cereal based products, animal protein, fruits and vegetables based foods, beverages and confectionery. In addition to the existing theme centers the institute will also have following cross sectorial theme centers like, management studies/ business incubation, trade/ knowledge management/networking, packaging and engineering, food standards, testing and safety, biotech, nutrition, culinary science. The basic theme of setting up the theme centers and cross sectoral theme centers is to create a pool of resources and experts in the related areas for contractual research work

The Institute is in process to obtain a deemed university status under DE NOVO category. To ensure eligibility the ministry and institute have made necessary changes in legal status and registration. The programs offered by institute are courses for students and short term entrepreneur development program. The institute aims for collaboration with global institutes. The purpose is to develop path breaking technologies and global relevance and to support the institute as international center of excellence through collaboration in areas like, course design/content and facility exchange, expertise in research and development in various food sectors, business incubation, food standards, testing and safety, consumer research and information sharing , assistance in setting up the theme centers.

2.Indian Grape Processing Board

Indian wine industry is one of the fastest growing industries and the board is set up in 2009 to cater the industry through research & development, quality standardization, market research, knowledge management and promotion of wines of India. For the purpose the board is situated at Pune, Maharashtra near to the principal table and wine grape producing and wine manufacturing region. The board also expected to coordinate among various stake holders of the industry such as wine grape growers, wine processing industry, Central & State Governments on commercial, regulatory & technical issues relating to Indian wine sector.

IGPB is expected to formulate the vision and action plan for development of Indian wine industry. The various objectives include the promoting the research and development for quality up gradation of wine and searching new technology to adapt, facility setup for quality standardization and control through wine analysis& hazard analysis, value chain development through forward and backward linkage to wine grower and industry, efforts to promote research o.. finding suitable varieties and rootstock for Indian climate, skilled manpower development, to generate data and statistics through market intaligence and support and advise industry stakeholders and governments on technical, commercial and regulatory issues on wine and viticulture.

3.Indian Institute of Crop Processing Technology:

This is an institute established by ministry of food processing industries, Government of India in 2008 and located at Tanjavur, Tamil Nadu. This is an autonomous institute which focuses on the research and development, and teaching and education in the areas of food processing. According to information on MOFOI website, following facilities are available at IICPT: NABL accredited food quality testing laboratory, food product development laboratory, food microbiology laboratory, food processing incubation center and food engineering laboratories.

The institute was first established as 'Paddy Processing Research Center (PPRC)', a Research and Development laboratory. It was focusing first local and then national level research in the areas on paddy processing and preserving high moisture in paddy. Later on after identifying importance its research and development in post-harvest processing, preservation and value addition of raw agricultural produceit has been upgraded to IICPT and now engaged in food grain processing, value addition, by-product utilization through bio-processing, process and product development. It also offers education till doctoral program in food processing engineering.

4.National Meat and Poultry Processing Board

The board was set up by Ministry of food processing industries at New Delhi in 2009 under the Societies Registration Act, 1860 to act as an autonomous body which would identify and resolve the gaps in sector. The NMPPB website enlists the gap related to following areas.

Domestic market has issues related to hygiene, sanitation, waste disposal, etc. Also the issues of traceability, packaging, workers, infrastructure, value chain, research and development, skill, industry-academia interrelation, etc. need to be addressed. The industry provides nutrition rich food to society along with employment in both rural and urban sectors. It creates employment through breeding, farming, nurturing, transporting, slaughtering, processing as ready-to-eat, semi cooked, ready-to cook, and other processes. A major portion of world-wide agricultural yield is utilized as a food for livestock. The society is now aware and demanding on cleanliness, sanitary, hygienic and scientific processing of meat. The board has an aim to identify and resolve all these concerns through means like, Training the workers, strict laboratory testing for safety standards, modernization of quality control laboratories, harmonization of domestic and export standards, awareness about producing by-products by utilizing animal waste, modernization of abattoir, agricultural technology, cold chain logistic, regulatory and intellectual property framework, etc.

Along with the above mentioned roles the board also expected to focus on the areas of market intelligence, quality control laboratory setup to meet domestic and international standards, provision of facility and training to adopt Good Manufacturing Practices (GMP), Hazard Analysis & Critical Control Points (HACCP), ISO-22000 in meat production. Also expected to advise on technical and regulatory framework.

Legal requirements of food processing industry in India:

There are many different legal requirements to which this industry comes across. Along with the general acts and regulation applicable to all industries there are some food processing industry specific legal requirements also need to be followed.

General Legalities:

Following are the list of some general applicable laws:
- Factories Act, 1948
- Employees Provident Fund & Miscellaneous Provisions Act, 1952
- Employees' State Insurance Act
- Payment of Wages Act, 1936
- Minimum Wages Act, 1948
- The Indian Partnership Act, 1932
- Central Excise (CE)
- Sales Tax
- The Income Tax Act, 1911
- Pollution Control Act

Specific Legal Requirements: (Food Processing)

In addition to the general legal requirements, Food Processing Industries has some specific legal requirements to comply. Following is a list of some of such laws:

- Prevention of Food Adulteration Act (1954)
- Milk and Milk Products Order (MMPO)
- Fruit Products Order (1955)
- Standard of Weights and Measures (Packaged Commodities) Rules, 1977
- Export (Quality Control and Inspection) Act, 1963
- Voluntary Standards
- Oils, De-oiled Meal and Edible Flour Control Order 1967 and Vegetables Products Control Order, 1976
- Meat Food Products Control Order, 1973

About market potential:

Being a country with strong agricultural advantages and optimum availability of agricultural factors of production and livestock, India has achieved a strong position in world in agriculture and food related sectors. According to a report, the agriculture sector contributes to fourth of GDP and employs approximately two third of country's population. India is the largest producer of milk second largest producer of buffalo and goat meat, fruits and vegetable, third largest producer of fish

Factors who contributed to the food processing industry growth in India include growth of middle class& urbanization. Indian middle class is driving the growth of country. As country's largest population falls in this socio-economic class, economic growth of this class is creating new avenues for food processing sector. Impact of urbanization is leading to alteration in food habits. Faster daily routings are increasing preference to ready to eat food, fast food, processed food and ready to cook food. Among the other factors there present, organized retailing, availability of wider range of products, export opportunity, augmented investment inflows, life style changes, nuclear family, working women, impact of western culture, attention towards nutritional value of food, safe and secure food.

Opportunities in food processing sector of India:

Second Largest population, high proportion of young population, highly agriculture dependent economy, leading producer of many agri products, considerable potential to increase yield, and many such factors of India's economy presents huge array of opportunities for the growth of food processing Industry. Opportunities ranging from as simple potato chips to highly sophisticated wines and other beverages are present in India which is a country having one of the largest populations of younger people. The export market is also huge with numerous opportunities for Indian food which particularly made famous by the Indians who migrated to various countries across the globe.

A major challenge in front of the food industry is unacceptable level of food wastage at various steps during cultivation to the dining table. Food processing provides an opportunity to minimize such wastage and increasing shelf life of perishable food and thereby increasing the profitability of farmers by eliminating the disadvantages encountered due to perishability and demand supply cycle.

Challenges:

There present many challenges in front of this fast growing industry. The following challenges are definitely hampering the growth of industry, question of safe and secure food, absence of uniform quality and breed of raw material, need for development of genetically modified crop, export rejection, entry of big foreign players in highly unorganized sector with majority of smaller players, less yield than many other countries, fragmented lands, slow technology adoption, etc.

Conclusion:

Food and allied industries are important for economy of every country. Development of processed food industry helps to minimizes problem such as perishability, short shelf life, and high amount of wastage. It also plays vital role in providing nutrition rich food in today's fast lifestyle. Established regulatory and administrative framework will definitely be helpful in grabbing the opportunity and facing the challenges to this steadily growing industry.

References:

✓ Awasthi, D. Jaggi, R. Padmanand, V. (2006) *A Manual for Entrepreneurs: Food Processing Industry*, Entrepreneurship Development Institute of India, Ahmedabad. Ministry of Food Processing Industries, Government of India, New Delhi. Tata McGraw-Hill Publishing Company Limited, NEW DELHI (Online) Available from:https://www.google.co.in/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0CB4QFjAA&url=http%3A%2F%2Fsmallb.in%2Fsites%2Fdefault%2Ffiles%2Fknowledge_base%2Fbest_practices%2FAmanualforentrepreneursFoodProcessingSector_opt.pdf&ei=xneRVJmsL4eyuAT9ioKwBw&usg=AFQjCNEd81pSWZb2rsVnpokCN0cnIUlEPg&sig2=2Q0gZseioQ-BGHNF7r2V1Q [Accessed: 15th November 2014]

✓ Deloitte (August 2009)*Enhancing firm level competitiveness:Indian food and agro processing industry.Strategies and road map development* [Online] Available from: https://www.google.co.in/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0CB4QFjAA&url=http%3A%2F%2Fnmcc.nic.in%2Fpdf%2Fdeloitte_report_foodandagroprocessing.pdf&ei=hX2RVNaNOZSfuQSWloK4DQ&usg=AFQjCNEMJMYnz_mSLAxhg6OQXVIW5udyiA&sig2=nfMwUVujPjCybl5P1nWsqQ&bvm=bv.82001339,d.c2E[Accessed: 22ndNovember 2014]

✓ Ministry of food processing Industries. Government of India. (2014)[Online] Available from: http://www.mofpi.nic.in/. [Accessed: 10th December 2014]

✓ Ministry of food processing Industries. Government of India. (2014)*Indian Institute of Crop Processing Technology*[Online] Available from: http://www.mofpi.nic.in/SchemeViewPage.aspx?RG+9liNWHY8umoIkovKG5/3GkeDS AaFG[Accessed: 10th December 2014]

✓ Ministry of food processing Industries. Government of India. (2014) *Indian Grape Processing Board.*[Online] Available

from:http://www.mofpi.nic.in/SchemeViewPage.aspx?RG+9liNWHY8dHHi9FXCMcQN TIJRCs7hp[Accessed: 10th December 2014]

✓ Ministry of food processing Industries. Government of India. (2014)*National Institute of Food Technology Entrepreneurship and Management*.[Online] Available from: http://www.mofpi.nic.in/SchemeViewPage.aspx?RG+9liNWHY/b1xtoZZONphFyIy1NQ aQu. [Accessed: 10th December 2014]

✓ Ministry of food processing Industries. Government of India. (2014*) National Meat and Poultry Processing Board*.[Online] Available from: http://www.mofpi.nic.in/SchemeViewPage.aspx?RG+9liNWHY9gMoToXFqLfbpFtM3z xAW2[Accessed: 10th December 2014]

✓ Indian Institute of Crop Processing Technology. (2014*)*[Online] Available from: http://www.iicpt.edu.in, http://www.iicpt.edu.in/pages/about-us.html[Accessed: 10th December 2014]

✓ Indian Grape Processing Board (2014)[Online] Available from: http://www.igpb.in/ [Accessed: 10th December 2014]

✓ National Institute of Food Technology Entrepreneurship and Management. (2014)[Online] Available from: http://www.niftem.ac.in/site/niftem_home.aspx [Accessed: 10th December 2014]

✓ National Meat and Poultry Processing Board. (2014)[Online] Available from: http://nmppb.gov.in/ [Accessed: 10th December 2014]

******

A Study On Recruitment And Selection Process
Atforce Motors Limited

Dr. D.B.Bagul
"Director", RJSPM, Pune, India.

Ms. Nisha Bedekar
PhD student at IBMR
Institute of Computer and Management
Research Alandi, Pune, India

ABSTRACT:

This research is a review based on theory as well as industry mindset of recruitment and selection process in an organization. It has been designed considering the nature of audience and the purpose of the study. Moreover, it is structured in such a way that the whole research is read and understood easily by all. The research includes executive summary, theoretical background consisting of meaning, advantages, disadvantages, methods and process of recruitment and selection, outline of the problem and research methodology. And it also includes data analysis, finding, suggestion and conclusion presented in a suitable manner.

Recruitment:

Recruitment refers to the overall process of attracting, selecting and appointing suitable candidates to one or more jobs within an organization.

Recruitment types include internal recruitment (transfer, promotion, job posting, employee referral etc.) And external recruitment (advertisement, employment agencies, private placement agencies, campus recruitment, job fairs, walk- in interviews etc.)

The process of recruitment begins with requisition for new vacancy, job description, mode for finding suitable candidate, short listing of CV's for interview, organizing interview, followed by offer procedure, joining formalities, probation review and confirmation of employee respectively.

Selection:

Selection involves a series of steps by which the candidates are screened for choosing the most suitable candidate Selection is the process of picking up individuals (out of the pool of job applicants) with requisite qualifications and competence to fill jobs in the organization.

The selection process begins with preliminary interview followed by technical rounds of interviews, group discussion, selection tests, employment interview, reference, background check, selection decisions and job offer respectively.

Types of Recruitment :
1. Internal Recruitment

Internal recruitment refers to the process of a candidate being selected from the existing workforce to take up a new job in the same organization, perhaps as a promotion, or to

provide career development opportunity, or to meet a specific or urgent organizational need. It takes place within the organization. Internal sources of recruitment are readily available to an organization. Internal sources are primarily three - Transfers, promotions and Re-employment of ex-employees. Re-employment of ex-employees is one of the internal sources of recruitment in which employees can be invited and appointed to fill vacancies in the concern. There are situations when ex-employees provide unsolicited applications also.

Internal recruitment may lead to increase in employee's productivity as their motivation level increases. It also saves time, money and efforts. But a drawback of internal recruitment is that it refrains the organization from new blood.

There are many different mechanisms, some formal and some informal, that can be used to identify quality of candidates referred internally. Internal recruiting also offers some distinct benefits over recruiting from the outside, but it also has its critics. In the end, each organization and hiring manager should consider their needs and develop a recruitment plan that they believe will produce the best candidates for their needs.

This is important source of recruitment as it provides opportunities for better development and utilization of existing human resources in the organization.

Types Of Internal Recruitment:

Some of the formal types of internal recruitment include internal job postings (Transfers) and career ladders (Promotion). These methods of internal recruitment are typically used at larger organizations where employees in one department may not hear about opportunities elsewhere in the organization.

1. Promotions:

It refers to promoting or upgrading an employee who is already existed in the pay roll and has contributed for organizational performance. It is done by shifting an employee to a higher position with high responsibilities, facilities, status and pay. Usually, many companies fill higher job vacancies by promoting employees who are considered fit for such positions. This is due to fact that it has a great psychological impact over other employees for their motivation towards better performance and also helps employee retention.

2. Transfers:

It is an alternative technique to promotion. Under it, employees are internally recruited through transfer from one work location to another. Transfer refers to the process of interchanging the job duties and responsibilities of employees from one place to another or from one department to another. It involves shifting of people from one job to another without any promotion in their position or grade. It is a good source of generating qualified employees from over-staffed departments.

Methods of Internal Recruitment:

There are two methods of recruiting qualified candidates under internal recruitment. They are as follows:

1. Job Posting:

Job posting is an open invitation to all employees in an organization to apply for the vacant position. It provides an equal opportunity to all employees currently working in the organization. Today it has become a very common practice in many organizations across the world. Under this, vacancy announcement is made through bulletin boards, common company portalsaccessable to all the employees. Interested employees, then apply for the post being advertised. In this way, it has become one of the cost saving techniques of recruitment.

2. Employee Referrals:

Employee referral is recruiting new people based on the reference of current employee. Under this method, a candidate is appointed on the recommendation of some currently working employees. Usually this is nomination by supervisors. It is effective particularly to find critically skilled candidate for an organization. It has been a major source of new hires at many levels including professionals. It can be a good method of internal recruitment when employees recommend a successful candidate. However, it may be influenced by the tendency of developing good prospects for their families and friends in the organization.

2) External recruitment:

External recruitment is the assessment of an available pool of candidates, other than existing staff, to see if there are any sufficiently skilled or qualified to fill and perform existing job vacancies. It is the process of searching outside of the current employee pool to fill open positions in an organization.

External sources of recruitment have to be solicited from outside the organization. External sources are external to a concern. External recruitment is when the business looks to fill the vacancy from any suitable applicant outside the business. It seeks applicants for positions from sources outside the company. External employees already worked for major companies or competitors have better understanding of business strategy and competitive market. Though recruiting external candidates might be tougher but it has some positive effect on business.

Methods Of External Recruitment:

1. Advertising

Advertising is one of the most common and popular methods of external recruitment under which the job vacancy is announced through different print and electronic media. When the qualified and experienced employees are not obtained from other sources, advertisement method is used to attract the best qualified and experienced personnel. Usually, most of senior positions in organization are filled by this method.

2. Employment Agencies

Employment agencies run by private, public or government sectors are regarded as an important source of recruitment for unskilled, semi-skilled and skilled jobs. The agencies

are likely to have a list of qualified candidates in their records, and they render their service as per the requirement from other organizations for employment. Employment Agencies are organization that helps firms recruit employees and, at the same time, aids individuals in their attempt to locate jobs.

3. Professional Associates

Associations in many business professions such as finance, marketing, information technology, and human resources provide recruitment and placement services for their members. Professional associations and trade organizations provide a valuable service in bringing together professional and professional job openings.

4. Internship

A special form of recruiting that involves placing a student in a temporary job. There is no obligation on the part of the company to permanently hire the student and no obligation on the part of the student to accept a permanent position with the firm. Hiring college students to work as student interns is typically viewed as training activity rather than as a recruiting activity. However, organizations that sponsor internship programs have found that such programs represent an excellent means of recruiting outstanding employees.

5. Job Fairs

Individuals meet recruiters face-to-face in interviews conducted over special computers that have lenses that transmit head-and-shoulder images of both parties. It also refers to group of employers gather collectively to recruit applicants.

6. Executive Search Firms

Executive search firms sometimes called HEAD HUNTERS are specialized form of private employment agencies that place top level executives and experienced professionals. These are the organizations that seek the most-qualified executive available for a specific position and are generally retained by the company needing a specific type of individual. They are useful in specialized and skilled candidate working in a particular company. An agent is sent to represent the recruiting company and offer is made to the candidate. This is a useful source when both the companies involved are in the same field, and the employee is reluctant to take the offer since he fears, that his company is testing his loyalty.

7. Campus Recruitment

Under this method of external recruitment, educational institutions such as schools, colleges and universities offer opportunities for recruiting fresh candidates. Most educational institutions provide placement services where the prospective recruiters can review credentials and interview the interested graduates. Colleges, universities, research laboratories, sports fields and institutes are fertile ground for recruiters, particularly the institutes. Campus Recruitment is going global with companies like HLL, Citibank, HCL-HP, L&T, Motorola and Reliance looking for global markets. Some companies recruit a given number of candidates from these institutes every year. Campus

recruitment is so much sought after that each college; university department or institute will have a placement officer to handle recruitment functions.

8. Recommendations

It is closely concerned with employee referrals. Under this method of external recruitment, applicants are introduced by friends and relatives. In fact, many employers, operating at a small-scale operation, prefer to take such persons as they are acquainted with backgrounds and credentials of prospective employees. The biggest drawback of this source is that the company has to rely totally on such recommendation of people which can later on prove to be inefficient.

9. Walk In

The most common and least expensive approach for candidates is direct applications, in which job seekers submit unsolicited application letters or resumes. Direct applications can also provide a pool of potential employees to meet future needs. From employees' viewpoint, walk-ins are preferable as they are free from the hassles associated with other methods of recruitment.

While direct applications are particularly effective in filling entry-level and unskilled vacancies, some organizations compile pools of potential employees from direct applications for skilled positions.

10. Internet Recruiting/E-Recruiting:

Internet is becoming a popular option for recruitment today. There are specialized sites like naukri.com. Also, websites of companies have a separate section wherein: aspirants can submit their resumes and applications. This provides a wider reach. Organizations can also use web sites and internet sources to recruit people application submission test and interview and other recruitment and selection activities can be performed online.

As online recruitment is one of the main source of recruitment in the organization (Force Motors Ltd) let us study the same in detail. The buzzword and the latest trends in recruitment is the "E-Recruitment". Also known as "Online recruitment", it is the use of technology or the web based tools to assist the recruitment process. The tool can be either a job website like naukri.com, the organization's corporate web site or its own intranet.

Many big and small organizations are using Internet as a source of recruitment. They advertise job vacancies through worldwide web. The job seekers send their applications or curriculum vitae (CV) through an e-mail using the Internet. Alternatively job seekers place their CV's in worldwide web. which can be drawn by prospective employees depending upon their requirements.

Force Motors follow a simple method of e-recruitment. As per the Job description, searches are carried on online portals and various websites like Naukri.com. Timesjob.com. CVs from these portals which match the job description are downloaded and forwarded to the HR/ Departmental Heads for short listing. After which further processes of recruitment are followed.

Advantages of Internet Recruitment

1. Lower costs to the organization
2. No intermediaries.
3. Reduction in the time for recruitment (over 65 percent of the hiring time).
4. Facilitates the recruitment of right type of people with the required skills.
5. Improved efficiency of recruitment process.
6. Gives a 24*7 access to an online collection of resumes.
7. Online recruitment helps the organizations to weed out the unqualified candidates in an automated way.
8. Recruitment websites also provide valuable data and information regarding the compensation offered by the competitors etc. which helps the HR managers to take various HR decisions like promotions, salary trends in industry etc.
9. It is easy as almost everyone can use online recruiting methods with very little training due to the fact it is clear, easy to understand and user friendly.

Disadvantages of Internet Recruitment:

Apart from the various benefits, e-recruitment has its own share of shortcomings and disadvantages. Some of them are:

1. Screening and checking the skill mapping and authenticity of millions of resumes is a problem and time consuming exercise for organizations.
2. There is low Internet penetration and no access and lack of awareness of internet in many locations across India.
3. Organizations cannot be dependent solely and totally on the online recruitment methods.
4. In India, the employers and the employees still prefer a face-to-face interaction rather than sending e-mails.
5. Difficult to measure effectiveness – when implementing several online recruitment strategies, it can be difficult to measure the effectiveness of each.

Advantages Of External Recruitment:

External recruitment sources and methods have following advantages

1. Wider Choice

With the availability of large pool of qualified candidates, the selection process becomes more competitive in choosing the best suited candidate. It offers wide scope for selection. This is because a large number of suitable candidates will come for the selection process

2. Qualified Personnel

External sources of recruitment provide a pool of talented candidates for selection purpose. With the large pool of potential candidates, it introduces new blood in the organization. There are less chances of bias or partiality.

3. Fresh Talent

External recruitment facilitates the entry of fresh talent in an organization. It encourages the inflow of new ideas, knowledge and skills required to perform the tasks. It encourages young blood with new ideas to enter the organization.

4. Competitive Spirit

External recruitment creates an environment for healthy competition in between internal employees and external members, who are supposed to be more trained and efficient. Helps organization to get required competencies.

Disadvantages Of External Recruitment

External sources and methods of recruitment have following disadvantages

1. Expensive

External recruitment is expensive in the sense that it requires an extra cost for vacancy announcement, arrangement for employment office, etc.

2. Dissatisfaction

When the qualified employees are recruited from outside the organization, the existing employees may feel dissatisfied with their jobs and leave the organization.

3. Long Process

External recruitment follows a long process. Various activities such as vacancy announcement, application collection, review of application forms, selection process etc. need to be performed before the placement of the candidate. It is very time consuming.

4. Adaptability Problem

As the selected employees are new for the organization, they may face adaptability problem in the organizational environment. More time will be needed for them to be familiar with organizational arrangements.

5. Competition

The existing employees think the new comers as their competitive. As a result of which, organization faces a great loss of productivity and quality.

6. Uncertain Response

The fresh candidates may not be suitable for the job due to the limited information about outsiders.

7. Poor Moral

The arrival of fresh candidates in the work place can adversely affect the morale of existing employees. It may not develop loyalty among the existing managers.

Objective:

The study focuses on the effectiveness of recruitment and selection process at Force Motors Ltd. Also it includes measuring the efficiency of the same. Moreover the objective of

the research may also include understanding employee opinion and ideas regarding recruitment and selection.

Research Methodology:

Research methodology is a way to systematically solve the research problem. Primary and secondary data have been used for the research. In order to collect reliable information random sampling method has been used with sample size of 55 employees of the total population from finance, marketing and HR department at force motors ltd. The information collected was based on questionnaires and the secondary data were collected through company manuals and brochures. The data analyzed are systematically presented and interpretation given can be understood by all.

Findings:

The study shows that recruitment and selection process at force motors ltd have department wise customized process. These processes are precise and efficient with detailed background investigation. Final selection is done only after all steps of recruitment and selection process and includes medical examination. Also employee database are being strictly maintained at force motors ltd.

Suggestions:

Suggestions given for the improvement included use of different recruitment method, evaluation of the process to know its effectiveness and time management .ll levels to avoid delay.

Conclusion:

The study reveals that the recruitment and selection process are the key factor for the success of any organization. Force motors ltd. Stands as an evident example for the same.

Reseacrh Methodology And Data Analysis:

Research Methodology is a way to systematically solve the research problem. It is understood as science of studying how research is done scientifically. We can say that research methodology has many dimensions and research methods constitute a part of the research methodology. The major focus for collecting the data for the research is the primary & secondary data. This data is analyses on the basis of the precise information

Research Objective:

Every research report is carried out with some specific objective in mind.
Objectives of the research are nothing but what is to be learned out of this research.

Specific Objectives Of Theresearch:

1. To study, examine & analyze the Recruitment process followed at Force Motors Pvt. Ltd.

2. To study, examine & analyze the Selection process followed at Force Motors Pvt. Ltd.
3. To critically analyze the functioning of Recruitment and Selection process at Force Motors

Scope Of The Study:

The research was done on the topic "RECRUITMENT AND SELECTION PROCESS" at Force Motors Pvt. Ltd, Pune. The research report covers two major areas of the organization:

- Recruitment
- Selection

Limitations:

The Following the limitations that were there during the research:

1) Time Devoted to this study was 2 months; hence the depth study of the topic was not possible.
2) Another Limitation of the study was that it provides only Theoretical Aspect and there is always gap between theory and practice.
3) Limited access to detailed information and data supporting the HR process, as these information and data are confidential and secured.
4) The data provided covers only certain function of HR, thus limiting the area of study.
5) Many people were finding it difficult to give appropriate and reliable responses.

Data Collection:

In this research report the information is gathered from the employees of Finance, Marketing and HR Department of Force Motors Pvt.Ltd. The observation of working methods at Force Motors Pvt. Ltd. I worked on the same topic in my SIP and Using questionnaire and have also collected some data.

a. **Observation**

Through observation, I studied how the recruitment and selection procedure actually takes place in the company.

b. **Discussion With Some Concerned People**

Discussion on various aspects of the recruitment and selection with the HR staff. Information was gathered regarding recruitment and selection.

c. **Interviews**

Interviews with the Employees gave lots of information regarding recruitment and selection.

d. **Questionnaire**

Questionnaire was prepared / designed having 15 Question each for Employees at Force Motors Pvt. Ltd.

1) It consists of information that already exists somewhere, having been collected for another purpose. It is being collected from various company's journal, periodicals and

online. Secondary data was collected on the basis of company profile, Company magazines, Presentations and internet.

Company Manual And Brochure:

Force Motors manual and brochure was one of the methods of collecting data.

a. **Internet**

Some information was collected from internet about Force Motor Pvt. Ltd.

Universe

Universe means the particular area from where the researcher collects the data by selecting some sample from the total population of that area. The total population of Force Motors. Ltd is 7000 employees. The Universe is the whole of Force Motors. Ltd. High accuracy is not possible due to limited sample size.

Sample Size:

In order to collect reliable information, I have adopted the questionnaire sampling method & to collect information in the report, random sample method was used.

The larger the sample, the more accurate the result would be but practically it is not feasible to target the population. In this research, being aware of the time constraints, total sum of 54 employees from various departments at Force Motors Pvt. Ltd were considered as samples for this research.

Findings:

1. The recruitment process at Force Motors Pvt. Ltd seems to be customized as per each department's requirement.
2. Recruiting and Selection process is very precise at Force Motors. Ltd.
3. Usually the selection process only takes 2-3 days. Hence it can be considered as an efficient process.
4. Selection tests are conducted at Force Motors. Ltd
5. The final selection of the candidates is only done once a candidate undergoes all steps of recruitment and selection process at Force Motors. Ltd
6. The background investigation of employees is extremely crucial at Force Motors Pvt. Ltd.
7. The database of employees is strictly maintained at Force Motors Pvt. Ltd.

Suggestions:

1) There should be an interaction of candidate with the Recruiter, before being reoffered the position.
2) HR department should undertake a background investigation of applicants who appear to offer potential as employees. They should verify an individual legal status to previous work through checking credit reference. criminal records and so on.

3) More advertisement should be given so that people will become aware of the vacancy available.

4) Evaluation of recruitment and selection processes must be done to know the effectiveness of employees in the job.

5) Internal hiring should be done. By way of doing this organization can retain the employees thus arresting attrition.

6) Time Management is very essential and it should not be ignored at any level of process. The recruitment and selection process should not be lengthy and time consuming.

7) Force Motors should try recruiting candidates through campus recruitment as they will get a pool of candidates.

8) The candidates called for the interview should be allotted proper timings and it should be seen that the timings don't overlap.

Conclusion:

The employees are the asset of every organization. The company has made it a point to select the most appropriate persons as their employees. In the past, selection was about matching people to clearly defined jobs. Now emphasis is on wider criteria aimed at identifying flexible people able to fulfill multi-skilled roles. Selection procedures are costly but consequences of wrong hiring can be even more costly. Management is also the backbone of Force Motors Ltd for reaching success.

The study revealed that the Recruitment and Selection Process are the key factor for the success of any organization. Force Motors Ltd stands as an evident example for this. In short, Force Motors ltd is truly one of the leading automobile companies.

References:

Company manual and Brochure,

- The manual and brochure which were given at Force Motors Ltd.
- A recruitment report which was named as "RECRUITE" which was published by timesjobs.com

Internet :

- www.forcemotors.com
- www.google.com
- www.reportjunction.com
- www.wikipedia.org
- www.citehr.com
- www.managementparadise.com

*****

Programmatic Buying-The New Algorithm of Web Marketing

Prof. Tausif Mistry.
Assistant Professor.
Indira School of Business Studies .
Pune, India.
E-maiiid: tausif.mistry@indiraisbs.ac.in

Prof. (Dr.) Omprakash Haldar
Research Guide
Professor DY Patil School of Management,
Lohegaon, Pune, India.
E-mailid:ophaldar@gmail.com

ABSTRACT:

Advertisers have long tried to offer advertisers the right audience for their products. Be it selling sports goods or luggage or airline tickets. Buy ads in the travel section of a newspaper or Web site.

In digital marketing and advertising, that formula is being increasingly tested by fast-paced, algorithmic bidding systems that target ·individual consumers rather than the aggregate audience publishers serve up. In the world of "programmatic buying" technologies, context matters less than tracking those consumers wherever they go. And that kind of buying is the reason that shoe ad follows you whether you're on Weather.com or on a local news blog.

Key Words: Algorithm, programmatic, buying, digital advertising

Programmatic Buying-The New Algorithm of Web Marketing

Publishers and broadcasters have long tried to offer advertisers the right audience for their products. Want to sell pick-ups to people who like sports? Buy ads at halftime during a football game. Selling luggage or airline tickets? Buy ads in the travel section of a newspaper or Web site.

In digital advertising, that formula is being increasingly tested by fast-paced, algorithmic bidding systems that target individual consumers rather than the aggregate audience publishers serve up. In the world of "programmatic buying" technologies, context matters less than tracking those consumers wherever they go. And that kind of buying is the reason that shoe ad follows youwhether you're on Weather.com or on a local news blog.

That shift is punishing traditional online publishers, like newspaper, broadcast and magazine sites, who are receiving a much lower percentage of ad dollars as marketers use programmatic buying across a much broader canvas. Some sites, like CNN.com, refuse to even accept advertising through programmatic buying because they do not want to cede control over what ads will appear.

About 10 percent of the display ads that consumers see online have been sold through programmatic bidding channels.

Advertisers like Nike, Comcast, Progressive and Procter & Gamble are now using the programmatic buying, and luxury advertisers are starting to follow. According to data from Forrester Research, all ads traded on exchanges, as programmatic ads are, increased more

than 17.5 percent to about 629 billion impressions (the number of times an ad appears) in 2012, from 535 billion in 2011.

Programmatic buying began as a way for advertisers to place lower-cost ads for products like teeth-whitening products and belly fat pills that filled up the back pages of Web sites. But the practice has gained in sophistication and breadth, with major advertisers and many of the world's largest ad agencies creating private exchanges to automate the buying and selling of ads.

Programmatic buying includes a number of different technologies and strategies, but it essentially allows advertisers to bid, often in real time, on ad space largely based on the value they have assigned to the consumer on the other side of the screen. Say, for example, that Nike wants to sell running gear to a particular consumer who has a high likelihood of buying shoes based on the data it has collected, including the type of Web sites that consumer typically visits. Because the ad-buying is done through computer trading, the price for that space can change rapidly.

In the short run, the growth in programmatic buying has forced overall ad prices to fall. A media buyer who would have once spent $50,000 worth of advertising on a publisher's site, at, say, an $8 cost-per-thousand, can now buy ad impressions on any Web site on which they happen to find their intended audience and pay less per ad.

And some publishers are jumping into the game themselves. During the most recent AOL earnings call, Tim Armstrong, the company's chairman and chief executive, said it was bullish on programmatic buying, despite being a publisher itself with properties that include TechCrunch and The Huffington Post. The company trades its ads through its own ad network, Ad.com, and others like it.

But what does the word "programmatic" even mean?

What is Programmatic Buying?

Programmatic buying is powerful to advertisers because it automates all of the processes that used to give them headaches. With RTB, a buyer can set parameters such as bid price and network reach. A programmatic buy will layer these parameters with behavioral or audience data all within the same platform. Algorithms that filter impressions based on behavioral data allow online advertisers to spend more time being creative and less time reading spreadsheets.

The Value of Programmatic Buying :

Automated media planning through ad exchanges and DSPs provides enormous benefits to both direct response and brand advertisers. Programmatic buying offers a 100% transparent pricing model. Buyers can leverage third party data to automatically cherry pick impressions and optimize at the impression level. Programmatic buying automates the placement process by selecting who to serve impressions to based on data an advertiser thinks

is pertinent to the campaign. In a programmatic campaign, an ad may only show on a specific website if the correct person is browsing that site.

Programmatic generally means that a program or algorithm has been written that is executing a set of commands. Real-time bidding is considered "programmatic" because a computer program executes the actual media buy. Humans really are not suited to the task. Not only are we too slow, but we're generally bad with numbers and complain far too much.

Since the word programmatic is often used interchangeably with the word algorithm, there is some confusion. For starters, since the word algorithm sounds so mind-blowingly technical, many believe that "programmatic" systems operate entirely on their own and use their superior silicon marketing skills to make campaigns perform. In reality, a computer program is executing a set of commands and rules as entered by a person, who remains in control.

But what does it really mean for the buyer and the seller?

In a similar fashion to the way SEM created a new focus for media planning on audience segmentation, ROI analysis and performance, programmatic buying is now causing a shift for buyers who are moving their spend to display and standard pre-roll. This means that the data associated with ad delivery is more important than ever and must be available in near real-time in order to make dynamic, meaningful buying decisions.

For publishers, this rapid shift in spending is forcing a new approach to advertising sales and the way in which inventory is packaged and promoted to buyers. The interesting thing is that this approach is impacting all areas of sales – traditional as well as programmatic. With that in mind, here are four tips for publisher success in this new environment:

1) **Understand and Control Inventory:**

When considering working with an ad exchange or demand partner, like Google or 24/7 Media (WPP), it is very important that publishers take stock of their inventory to understand how it is currently priced and which inventory is currently most appealing to marketers. Inventory should be segmented into clearly defined buckets and publishers should use their ad server and other tools to ensure total control over what inventory is provided to the exchange.

2) **Establish Clear Value:**

Publishers must ensure that when working directly with a marketer the ad packages they are providing are clearly differentiated from what can be purchased programmatically. This can be as simple as selling the non-standard display units. Even so, sellers should be thinking more like marketers and developing custom programs that take full advantage of the content, brand and voice of the publication being sold. In doing so, publishers not only are listening to clients better -- providing them with real solutions to their problems -- but also ensuring that the pricing models of the exchange will not undercut or devalue the premium ad products.

3) · **Embrace programmatic buying:**

Every publisher should strongly consider taking full advantage of programmatic buying. This is a very efficient sales channel and, if deployed properly, will drive new revenues from non-endemic advertisers, increase fill, and improve yield and overall revenues. Inventory made available through the exchanges should be smartly packaged and tiered with varying pricing floors to promote the best yield possible and aid in the protection of the direct sales channel. However, to get the full benefit of programmatic buying, the majority of the standard display inventory should be viewable and biddable enabling both direct and indirect buyers to compete for the inventory.

4) Quality Control:

When adopting programmatic buying it is very important for publishers to be working with a partner that enables granular control over buyer quality and has creative auditing tools in place. Publishers should pay close attention to the buyers that they allow to bid on certain segments of the inventory and also use these mechanisms to ensure that there are no conflicts with the direct sales channels. Keep in mind however, that any buyer-blocking will have a direct impact on revenue and yield, so do this sparingly. As for creative auditing, an exchange partner should provide that service as well as a detailed policy for your review.

Programmatic buying is still new to many publishers. Those who have embraced it, and have taken the time to understand their inventory completely, are seeing early success. Some publishers believe so strongly in programmatic buying and its growth that in the very near future they will see the largest percentage of their ad revenues coming from the exchange which will lead to a retoring of their direct sales force.

I think about it like this: a publisher no longer needs an army of sellers to blanket the market to drive hundreds of sales. Instead they will hire a SWAT team of sellers who are consultative, think like marketers and build integrated and highly creative programs for marketers. They are true brand warriors providing solutions to marketers that are unique, breathtaking and capable of broadly differentiating them from the crowd. Publishers have many things to consider and react to these days – from changing consumer behavior to new devices and screen sizes vying for their attention. The good news is that with a little analytical work and smart segmentation of inventory, there is a large amount of efficient revenue available to help fuel the business. This will free up some time for the sellers to sell smarter and for operations teams to deal more strategically with this ever changing landscape. What do you think?

The Myth of Remnant Inventory:

Advertisers are concerned that programmatic buying will only provide access to low quality, or "remnant" inventory, but this is simply not the case. In fact, many premium websites accessible through ad exchanges don't classify any of their inventory as remnant because all of their available ad space is high quality. Skeptics concerned with brand building are hung up on "sure things" like direct ad buys, but some brand-centric advertisers such as Ford have found a happy balance. Buying media requires an integrated approach, and programmatic buying is a vital component.

Connecting the digital way:

The deluge of customer data in the digital landscape requires companies to rework their internal culture, blending the art of marketing with the science of technology to streamline their business strategy

It is encouraging to see a lot of Indian companies across industries engaging customers in the digital landscape. While some have successfully created high volumes of conversation across various channels including blogs, forums, and social media sites, others are reportedly engaging customers through contests, humorous videos and events on social media. What is also interesting is the alacrity with which companies are transitioning their operating model to keep pace with the customers in the digital landscape. Leaders are also putting together digital strategies to understand what customers value most and creating operating models that take advantage of what's possible for competitive differentiation. What is the reason for the focus on the digital landscape?

Any avid marketer would state three key reasons: first is that customers are leaving behind a lot of data about themselves in the digital landscape. Second is the opportunity to leverage this data to connect with customers as individuals at the appropriate time. Third, increasing transparency as a result of activities in the digital space is leading companies to rework their internal culture.

The increasing focus on the digital landscape is also a reflection of the shift in balance of power between customers and the brands with the former taking charge of the relationship. It is also an indication of the opportunities and challenges that marketing function will experience in the days to come.

Technology and the chief marketing officer :

With the digital revolution changing the balance of power between the customer and the organization, digital technologies are also driving th change in the IT industry. In fact, a similar transformation is taking place in the marketing industry. While marketing has always been responsible for knowing the customer, it is now required to understand and respond to customers as individuals. Marketing can only do this if it manages vast amounts of unstructured data, makes sense of it with analytics, and generates insights that are predictive, not just historical — all on a massive scale. To connect with customers at every touch point effectively, marketing needs a system of engagement that maximizes value with each interaction. It should marry the culture of the organization with the brand to create authentic experiences that consistently delivers the brand's promise. This can be achieved through technology.

Interestingly, marketing and IT functions have undergone tremendous change in the last five years. Technology and the insights derived through marketing and IT have completely transformed how organizations — and indeed, society — think, work and innovate.

Re-thinking the marketing function:

The proliferation of digital natives are giving rise to customers who are more informed. As their number go up; the challenges for the chief marketing officers (CMOs) also increase. Their role is expanding to encompass management of the customer relationship and stewardship not only of the brand but the very character of the enterprise. It is, then, important for CMOs to work towards understanding customers better, in fact, connect with them one-on-one at the most appropriate touch point and ensure there are no gaps between what the brand promises and what it delivers in reality.

In the past, marketers profiled broad demographics such as "women 25-35 years old" and not really as individuals. Today, the scenario is very different. Customers are leaving behind a trail of data about them in the digital landscape and marketers are sifting through this enormous amounts of data to paint a vivid picture of each person as an individual. What this also implies is that marketers can actually predict the precise moments to engage customers with the right information or right suggestion in a personalized, authentic way so that marketing feels less intrusive and more like a welcomed service. How do they do that?
Progressive companies are seeing substantial benefits by investing in technologies and the insights produced by the use of technologies. Take, for example, a large public sector bank in India that adopted analytics. The solution helped it gain corporate visibility into all its accounts and customers, enabling it to launch creative sales campaigns targeting specific customers, thereby significantly improving customer service and profitability. In yet another instance, a leading mobile communications company extends its insights about customer behaviour throughout the organization to support detailed market segmentation and customised service offerings.

In the past, marketers had to place their bets on big campaigns and there was no place to go if a campaign failed. Now, analytics is rewriting marketing measurement and CMOs can course-correct a campaign midstream.

Today, customers are judging brands by what they do and what they say. In turn, because of the stream of instant customer feedback via social media, companies are constantly rethinking the ways they design, produce and market products and services. Since social media has opened up a direct two-way channel between brands and their customers, marketers are becoming obsessed with how a company's culture and purpose impacts a brand. Marketers must turn their companies into social businesses not only to establish a long-term relationship with customers but also to improve core and ad hoc processes.

Reskilling through collaboration:

Having to embrace these technologies, CMOs are looking in-house to CIOsto equip themselves and to streamline their technology needs. With the evolution of their functions, CMOs and CIOs, as corporate leaders, have moved to strategic seats at the executive table and they are forging a shared agenda as the new C-suite power team to drive organizational benefits by blending the art of marketing with the science of technology.

Why is this partnership crucial?

Earlier, in the absence of such a partnership, companies relied on fragmented approaches in connecting with their customers. With customers increasingly switching between web sites, social networks, mobile applications and phone calls in their interactions with companies, this lack of a unified approach can have a critical impact on business. At the same time, the deluge of online activities that customers are engaged in gives marketers the opportunity to start connecting with individuals one-on-one, to understand what customers expect from the brands they do business with, to learn how their tastes are changing, and to target the new products and services that customers want. To thrive in the new era of the digitally empowered, socially connected customers, marketers have to leverage the power of analytics, big data and social media. Armed with these effective technologies, marketers are continuously inventing new ways to engage with consumers through customized information and vivid digital experiences, designed to create an aspirational journey starting with digital engagement.

CMOs realize that it is important to partner with CIOs to carry out their strategy, which is increasingly intertwined with the company's business strategy. Digitally empowered customers have transformed the marketplace. So marketers are remaking their profession. They're developing new skills and relationships and becoming more crucial to their companies. The transition will be a lot easier with a strong partnership with the CIOs.

Embracing the evolution of digital advertising is a necessity. Programmatic buying is a relatively new approach to the market; it presents a great opportunity for a more transparent and efficient way of selling vast amounts of digital space. Using premium display alongside automated services can increase revenue for all publishers.

It is important for publishers to have an in-depth understanding of how both bespoke sales teams and automated trading can enhance their digital offering; truly understanding these options is the first step. In order to use these complementary options efficiently, every publisher needs to determine what their unique proposition is and what they want to be known for as a publisher.

Is Programmatic Buying the Future?

As the technology advances, buyers' approaches to programmatic buying will become more sophisticated. Recently, an advanced ecosystem has formed around programmatic buying with specialized providers leading the way and some larger agencies building in-house platforms. It's safe to say programmatic buying will eventually have a dominant market share of online display buying. With the addition of RTB to social networks like Facebook, new strategies will present themselves that weren't previously possible. Like many digital advertising trends, programmatic buying has evolved rapidly to become an essential tool.

References:

1. *Business Standard dated-Nov.19, 2012   and Aug.8, 2012*

2. *http://www.mediapost.com*

3. *http://www.businessinsider.com*

4. *http://wallblog.co.uk*

5. *http://diaryofamediaman.wordpress.com/2013/11/03/opposing-forces/*

6. *http://www.adweek.com/news-gallery/advertising-branding/programmatic-dummies-153590*

*****

Coping With A Natural Disaster: The L'aquila Quake

MARGHERITA MORI

Full Professor of Management of Financial Institutions
University of L'Aquila – Department of Industrial and Information Engineering, and of
Economics Via Campo di Pile, Zona Industriale di Pile – 67100 L'Aquila, Italy
E-mail: margherita.mori@univaq.it

ABSTRACT:

The objective of this paper is to analyze some priceless lessons that can be learned from natural disasters. Undoubtedly they raise a series of interdisciplinary issues, encompassing regional growth and local development, not to mention sustainability and legal implications; within this framework, finance plays a key role and useful insights can be gained by exploring the process of financial innovation.

No surprise that disaster management stands as a new discipline aimed at bridging the gap between theory and practice; the major goal is to prevent natural disasters. Afterwards, considerable efforts are required to quickly restore vital energies and hopefully carry out specific improvement projects as a sort of compensation for the (both personal and economic) losses suffered.

A case in point has to do with the earthquake that devastated L'Aquila and its environs – in Central Italy – in 2009 causing more than 300 deaths, apart from extensive damage; the economic environment of a large portion of the Abruzzo Region was obliterated in a matter of seconds. Much remains to be done in L'Aquila and its surrounding boroughs, which sounds like an invitation to gather ideas for turning the crisis into an opportunity in the affected area, as elsewhere under similar circumstances.

Keywords: disaster management, financial innovation, regional development, sustainability

1.- Introduction

This paper aims at analyzing the most relevant cross-cultural implications of natural disasters by adopting a case study approach, with a special focus on finance and on the Abruzzo event[1]. It is currently referred to a major earthquake that hit Central Italy on April 6, 2009 and devastated L'Aquila, the capital city of the Abruzzo Region, as well as about 50 surrounding municipalities, with pervasive detrimental consequences: more than 300 people died, while approximately 1,600 were injured (out of a population of 72,000), and 10,000-15,000 buildings were either destroyed or severely affected, in most cases beyond repair, thus leaving around 65,000 people homeless; to make things worse, parts of the main hospital had to be evacuated, due to the risk of collapsing, and almost all of L'Aquila's historic buildings

---

[1] *Learning from earthquakes. Special earthquake report,* Earthquake Engineering Research Institute, Oakland (CA, U.S.A.), June 2009.

– including the 13th century Basilica di Santa Maria di Collemaggio – were damaged to a considerable extent.

With the economic framework being so badly impacted, not even tourism has been helpful so far as a strategic asset to support the recovery process: L'Aquila and its environs lost most of their attractiveness in a few moments, whereas it will take decades to overcome the disaster management problems that remain to be solved in that region; despite the remarkable efforts that have been undertaken, the city center remains largely cordoned off and there are not so many alternative sites in the outskirts, which makes the resumption of commercial activity quite slow and still limited. Societal impacts have contributed to deteriorate the situation, so that the recovery process does not consist of simply re-establishing the physical environment.

Additional comments have to do with University-related issues, since L'Aquila hosts a multidisciplinary University responding to the educational needs of thousands of students (about 25,000 and one third of the people living in the city before the earthquake). As it has been experienced afterwards, reconstruction and redevelopment after a natural disaster are very hard, yet fundamental tasks if a University is located in the affected area: it is not just a matter of re-opening the classrooms and getting some research work re-started; activities to be performed amount to a long list, just like it had to be realized after a *post*-earthquake survey of damage on campus at the University of L'Aquila, as the starting point of a demanding process, including measures aimed at making up for losses in research labs and librarian resources.

2.- Lessons from L'Aquila

Earthquakes are quite frequent in Italy and mark the history of the Province of L'Aquila, not to mention Central Italy as a whole, though it is uncommon for them to be very deadly. What surprised experts and generated discussion in the aftermath of the Abruzzo event was the observation that modern buildings were badly affected, despite being believed to be "earthquake-proof"; furthermore, the death toll included many young people, which can be explained by looking at L'Aquila as a University town, where cheap accommodation mostly inhabited by students suffered severe damage [2].

Right after this devastating quake, attention focused on housing the displaced population in temporary shelters within the framework of postponing the difficult and costly intervention that had to be anyway implemented [3]; a very intense technical and political debate followed on how best to reconstruct L'Aquila, particularly its center, and lessons learned encompass the problem of protecting old cities located in high-risk seismic areas. Surprisingly, the scientific world has also been involved in legal issues that deal with how to effectively

[2] Bressan D., *April 6, 2009: The L'Aquila Earthquake*, April 6, 2012, available at http://blogs.scientificamerican.com/history-of-geology/2012/04/06/april-6-2009-the-laquila-earthquake/, retrieved on November 6, 2014.

[3] *Lessons from the L'Aquila earthquake*, available at http://timeshighereducation.co.uk/features/lessons-from-the-laquila-earthquake/2007742.article, retrieved on November 6, 2014.

communicate public risk, provided that seven Italian experts (three seismologists, two engineers, a volcanologist and a former government official) were found guilty in 2012 for failing to properly assess the chance of this damaging earthquake and to give adequate advance warning to the population of L'Aquila [4].

According to statements by the chief prosecutor, this was not science on trial but rather it was a story about scientists shirking their duty to sufficiently warn about earthquake risk, mainly based upon the many tremors that had rattled the area in previous months [5]. Recently, the judges of the appeals court overturned manslaughter convictions of six of the defendants [6], which left survivors of this disaster and relatives of the victims unsatisfied: however, if somebody had a reliable tool for predicting the Abruzzo event, as any other quake, geoscientists would know because no one wants to see that puzzle solved more than them [7]; anyway, the L'Aquila prosecution – known as the "trial of the century from a seismologic point of view" – may set "dangerous precedents for the future of the scientific process", though providing appropriate advice on scientific issues and communicating a course of action based on that advice fall within the responsibilities of different groups of people [8].

3.Policy implementation and efficiency problems

Talks about these controversial implications were accompanied by the debate on policy implementation and efficiency problems, that it is not uncommon for natural disasters to suffer from. In their aftermath, mismanagement of resources, lack of aid coordination, poor relations with local communities usually contribute to worsen the scenario, while the local economy typically receives another large shock: it is the inflow of a storm of money – mostly public transfers and private donations – that may produce positive effects on the GDP dynamics via a disruptive creation mechanism or else may be diverted to unproductive activities, thus deteriorating social capital and exacerbating regional disparities.

What happened in L'Aquila and its surrounding boroughs after the 2009 quake leads to emphasize the need that aid supervisors set proper rules to prevent the irregular use of resources and its detrimental effects in the long run: the debate on re-launching the affected area includes allegations that EU relief funds were partly misused [9] and several enquiries

[4] *The earthquake in L'Aquila – A reason to tremble*, in *The Economist*, October 27, 2012(http://www.economist.com/node/21565135/print, retrieved on November 6, 2014).

[5] *L'Aquila quake: Italy scientists guilty of manslaughter*, BBC News, October 22, 2012(http://www.bbc.com/news/worls-europe-20025626?print=true, retrieved on November 6, 2014).

[6] Hooper J.,*L'Aquila earthquake scientists win appeal*, in *The Guardian*, November 10, 2014 (http://www.theguardian.com/world/2014/nov/10/laquila-earthquake-scientists-win-appeal-seismologists, retrieved on November 11, 2014).

[7] Wolman D., *Italian Scientists Appeal Absurd Conviction for Quake Deaths*. October 15. 2014, available at http://www.wired.com/2014/10/italian-scientists-appeal-laquila-quake-conviction/, retrieved on November 6, 2014.

[8] Greenemeier L., *Faulty Justice: Italian Earthquake Scientist Speaks Out against His Conviction*, in *Scientific American*, September 26, 2013 (http://www.scientificamerican.com/article/italy-abruzzo-earthquake-scientist-trial/?print=true, retrieved on November 11, 2014).

[9] *Italy earthquake: L'Aquila EU relief funds'misused'*, BBC News, November 5, 2013(http://www.bbc.com/news/world-europe-24807872?=true, retrieved on November 6, 2014).

were opened into cases of fraud; the huge amount of taxpayers' money that was intended to support the recovery process calls for special attention and future grants under the Solidarity Fund Regulation will be surely monitored more carefully. Investigators have also questioned the quality of the newly-constructed accommodation and some of them have been said overpriced by more than two-and-a-half times [10].

No doubt that a misallocation of funds – whatever their source is – "may distort the markets and corrupt the economy and, ultimately, reduce the potential output" [11]. By contrast, the critical situation generated by a natural disaster can be converted into an opportunity for the affected area to progress, if local institutions and economic actors react positively: for instance, firms may take advantage of *post*-emergency programs in order to implement new production technologies; schools may be rebuilt by resorting to most innovative construction methodologies and may be provided with improved equipment; better infrastructures may replace the old and damaged ones, thus contributing to increase the potential output of the local economy.

4.- Cross-cultural issues

All in all, assessing the recovery process in L'Aquila may prove useful in order to increase the shared knowledge about coping with natural disasters, which is especially challenging due to the role of finance: needless to say, a huge amount of money is required to redevelop an impacted area so as to restore its economic environment, to accelerate its business recovery, to recreate its vital energies as quickly as possible, and even to carry out specific improvement projects as a sort of compensation for the (both personal and economic) losses suffered by the affected people. Despite the controversial implications that unexpectedly surfaced, the Abruzzo event paved the way to success stories that deal with funding the recovery process.

To this end, strategic tools have been – and may still be – identified by exploring the ongoing process of financial innovation [12], including new financial engineering instruments and those labelled as not-for-profit finance: for example, in order to evaluate access to both traditional and innovative financial instruments, bank financing should be compared to angel investing, private equity, venture capital and microfinance (especially microcredit), depending on individual needs. The creative energies that pervade this process could help to face the cross-cultural challenges posed by natural disasters, with crucial investment areas being identified with healthcare and economic development, as well as urban renewal, not to mention the need to enhance public assets.

In particular, activities to be carried out in an impacted area encompass safeguarding adjacent neighborhoods and establishing housing opportunity zones to incentive

[10] *Mafia shakedown: EU relief funds for L'Aquila earthquake 'misused' by criminals*, RT News, November 5, 2013(http://rt.com/news/money-rebuilding-l'aquila-earthquake-230/, retrieved on November 6, 2014).
[11] Barone G. and Mocetti S., *Natural disasters, growth and institutions: a tale of two earthquakes*, Bank of Italy, Rome (Italy), Working Papers, No. 949, January 2014, page 5.
[12] See Mori M., *Redevelopment after the Abruzzo Event*, in *Management*, Scientific and Academic Publishing, Rosemead (CA, U.S.A.), 1/2011.

homeownership: in sight of these goals, public-private economic development partnerships may be successfully resorted to, since these arrangements allow to put together the benefits stemming from Government resources, private sector investment, effective laws and policies, economic research and expertise; economic recovery should be promoted by supporting existing businesses with the highest chances to survive and by fostering the development of new enterprises, which could be expected to stimulate business survival, formation and growth. Therefore, an interdisciplinary range of academic and professional skills is required, with engineers, geoscientists, architects, urban planners, social scientists, researchers, practitioners and educators assumed to cooperate [13].

5.- Financial implications

Looking at the pillars of the financial system – financial institutions, services and market segments – local banks should result most actively involved in the recovery process and even in disaster preparedness, because these intermediaries are at risk more than large ones, if a natural disaster occurs where their branches are located. By the way, the affiliation to a financial or banking group is likely to preserve banks in an affected area, especially the smaller ones that could hardly cope by themselves with the devastating impact of one of the events at issue, when the economic environment might worsen sharply and default rates grow accordingly; to further deteriorate the picture, the current value of assets pledged against the repayment of mortgage loans may drop to an unexpectedly low level, as it can be said of damaged real estate in L'Aquila, and financial institutions may end up with having no recourse against defaulting borrowers when their properties are no longer marketable.

Banks too may be physically damaged or destroyed by a natural disaster, as it has been experienced in L'Aquila: their back-up facilities are likely to provide much relief, if relevant data can be resumed, and being able to rely on insurance policies can be expected to help cover the losses suffered; however, some types of risks that are normally considered of minor importance compared to credit risk – such as operating and legal risks – may display negative effects and hence gain momentum as a part of the global risk management strategy. For the best results to be achieved, the local perspective has to be properly combined with the global one, according to the more and more widely accepted *glocal* approach.

Thanks to this philosophy, the potential of microfinance – or, better, *post*-emergency microfinance [14] – has been exploited beyond expectations by micro-, small-, and medium-sized enterprises, as well as consumers, self-employed individuals and those belonging to producer households. While microfinance is not limited to microcredit, this is the most dynamic market segment in the affected area under investigation, where microloans

---

[13] Gruppo di lavoro MS-AQ. *Microzonazione sismica per la ricostruzione dell'area aquilana.* Regione Abruzzo – Dipartimento della Protezione Civile. L'Aquila (Italy), 2010.

[14] It is specifically designed to "restore hopes and future opportunities for those communities who have been stricken by devastating natural disasters", as well as to "restore economic activities and build social networks among the differentcommunities, converting acts of solidarity and humanitarian support into enterprise opportunities, which may result fundamental to thousands of families" (http://www.etimosfoundation.org/eng/about_us, retrieved on November 10, 2014).

amounting to more than 17 million euros have been granted to 465 enterprises and 240 households between January 2011 and April 2014, based upon a project called "Microcredito per l'Abruzzo" that was launched in the aftermath of the L'Aquila quake [15]: what sounds appealing is that it allows to borrow a smaller amount of money than the loan size usually offered by commercial banks and hence to survive – and hopefully grow – despite being denied access to traditional banking and related services, mainly due to the collateral aspect of loan requests.

6.- Tradition versus innovation

Actually, banks have been more and more concerned with risk capital and capital requirements, as the reform of the original 1988 Basel Accord culminated in what bank supervisors refer to as Basel II and ultimately Basel III, which should further enhance the role of risk assessment and – at the same time – fuels feelings of pessimism among borrowers; negative views have been increasingly shared in the Abruzzo region, where the difficulties that surfaced after the L'Aquila quake have added to the troublesome conditions that the financial crisis still under way has brought about and that include the tightening of credit standards – in Italy as in other industrial countries – even by the largest banking groups. No wonder that ethical finance has been growing in relevance, as shown by the wider and wider adoption of the crowd funding approach, that has long precedents in the sphere of charity: one of the reason is that social media, online communities, and micro-payment technology make it straightforward to engage in and secure donations at a very low cost; in fact, disaster relief is one of the main purposes that crowd funding – also known as crowd sourced capital or crowd financing – occurs for.

Looking at the financial arena as a huge laboratory, promising financial instruments also include catastrophe (briefly, cat) bonds, designed to transfer the risks associated with natural disasters (and the resulting losses) to investors; if cat bonds are still considered as being in their infancy, their development after specific tragedies – such as hurricane Katrina in New Orleans (LA, U.S.A.) – emphasizes the role that these securities can play, given the expectation of a growing impact of climate-related disasters. As it can be easily argued, cat bonds share some similarities with weather derivatives that started to be traded in the United States at the end of the nineties, in an attempt at finding out how to manage – and, particularly, hedge – weather risks.

On a less innovative side it is worth mentioning the opportunity to rely on real estate funds in an effort to recover after a natural disaster, such as the Abruzzo event. By the way, this market segment too tends to evolve: urban development funds (UDFs) have been recently promoted in Europe by the European Investment Bank (EIB) as new financial engineering instruments aimed at supporting investment in sustainable urban development; as such, they are expected to make up an emerging segment of the investment fund market

---

[15] This is the goal reportedly achieved by Microcredito per l'Italia and Etimos Foundation. See *A cinque anni dal terremoto, cosa ci insegna L'Aquila?*, April 4, 2014, availableathttp://www.mxit.it/it/media/news/2014/04/04/a-cinque-anni-dal-terremoto,-cosa-ci-insegna-l%E2%80%99aquila/, retrieved on November 10, 2014.

populated with investment vehicles whose specialization deals with identifying – and investing in – sustainable city assets and supporting urban transformation operators capable of achieving sustainable urban development outcomes.

7.- The role of international cooperation

Along this pathway, the JESSICA (Joint European Support for Sustainable Investment in City Areas) initiative is expected to foster sustainable investment, growth and jobs in Europe's urban areas, including L'Aquila [16]. This is a policy initiative of the European Commission (EC), in cooperation with the Council of Europe Development Bank and the EIB, to assist the renewal and transformation of European cities by promoting UDFs: under the JESSICA framework, the managing authorities of Structural Funds programmes can take advantage of outside expertise and to gain greater access to loan capital for the purpose of supporting urban development, including loans for social housing where appropriate, as it seems the case of *post*-disaster recovery processes; the ultimate goal can be identified with addressing the scarcity of investment funds for public-private partnerships and projects complying with integrated and sustainable development criteria.

New financial engineering instruments developed in the context of the European Community Cohesion Policy also include the JEREMIE (Joint European Resources for Micro to Medium Enterprises) initiative, to be eventually resorted to in impacted areas, though a disaster management framework is not necessarily required for the adoption of this strategic tool: it is a joint initiative of the EC and the European Investment Fund with the EIB; the aim is to improve access to finance for medium, small, and micro enterprises, in particular through the supply of venture capital, loans, guarantees, microcredit and other forms of innovative financing. In the light of the economic slowdown, JEREMIE is likely to help these enterprises, first casualties of the financial crisis that began in the summer of 2007, as well as of natural disasters such as the Abruzzo event.

Focusing on lessons learned from the L'Aquila quake, the support that has been provided by international organizations deserves much appreciation and allows to stress the competition-cooperation equilibrium as a *must*, not rather an *option* in our global village A case in point has to do with the priceless assistance offered by OECD to Italy's Government in designing sustainable action that should re-launch the economy in the area hit by the 2009 earthquake [17]: evidence-based recommendations were made for driving forward recovery efforts and key priorities were identified for the Abruzzo region in formulating a long-term development strategy that could include all stakeholders, with a special emphasis on the role

---

[16] See *JESSICA Evaluation Study in the Abruzzo Region*. European Investment Bank, Luxembourg, December 2010.
[17] *Building Resilient Regions after a Natural Disaster – The Case of Abruzzo*. OECD, Paris (France), available at http://www.oecd.org/gov/regional-policy/buildingresilientregionsafteranaturaldisaster.htm, retrieved on November 10, 2014.

pertaining to the University [18]; dialogue among them is supposed to raise the profile and quality of the decision making process in such a challenging situation.

8.- Conclusions

To make a long story short, disaster recovery is a burdensome and time consuming process that requires the assistance of a network of professionals in a variety of fields, though the huge amount of money involved leads to consider financial skills of foremost importance. Unfortunately, natural disasters – just like man-made ones, such as acts of terrorism – could affect almost anybody anywhere, in a pervasive way: consequences may range from extensive damage to the environment, wildlife and properties to the high number of persons who die or report casualties, up to the creation of a bottleneck in human evolution; at the same time, important challenges are posed in terms of reconstruction efforts aimed at fostering recovery and growth, as it can be concluded by thinking of the Abruzzo event, as well as of other natural disasters.

Due to the wide exposure to catastrophic risks and their negative impact, a strong awareness is required so as to prevent natural disasters in the first place through preparedness. According to lessons learned in L'Aquila and in other impacted areas worldwide, action taken before a natural disaster should be conveniently coupled with exit strategies to be planned and carried out without delay afterwards; in fact, "development is not sustainable unless disaster mitigation and response is mainstreamed and inbuilt into the development process" [19].

Drawing upon experience may prove useful to accelerate the rebirth of affected areas and to convert their recovery into long-term growth: from this point of view, it sounds consoling that affected people tend to be confronted with similar problems in different places, in spite of their specific features and of the possibility to choose from different models for recovery purposes; therefore cooperation can speed up the redevelopment process, thanks to – among other factors – interdisciplinary projects to be shared by those who have had direct experience of natural disasters, especially at affected Universities [20]. Indeed, scholars and practitioners in impacted areas are in the best position to upgrade knowledge and expertise concerning disaster management, including measures that may allow to reap the benefits of a disaster-resistant University.

REFERENCES

[18]Priceless lessons can also be learned from the activities carried out by the Louisiana Business & Technology Center at the E. J. Ourso College of Business of Louisiana State University and Agricultural & Mechanical College in Baton Rouge (LA. U.S.A.) after Katrina: they include the use of a *mobile classroom* as an *incubator on wheels* to reach unserved parishes in rural Louisiana, provide business counselling and encourage to seek further assistance.

[19]*Strengthening Disaster Management in India*. Ministry of Home Affairs, Government of India, New Delhi (India), February 3, 2011, p. 2.

[20]Bacher R. and Devlin T., *LSU in the Eye of the Storm – A University Model for Disaster Response*, Louisiana State University, Baton Rouge (LA. U.S.A.), November 2005.

- Bacher R. and Devlin T., *LSU in the Eye of the Storm – A University Model for Disaster Response*, Louisiana State University, Baton Rouge (LA, U.S.A.), November 2005
- Barone G. and Mocetti S., *Natural disasters, growth and institutions: a tale of two earthquakes*, Bank of Italy, Rome (Italy), Working Papers, No. 949, January 2014
- Bressan D., *April 6, 2009: The L'Aquila Earthquake*, April 6, 2012, available at http://blogs.scientificamerican.com/history-of-geology/2012/04/06/april-6-2009-the-laquila-earthquake/, retrieved on November 6, 2014
- Greenemeier L., *Faulty Justice: Italian Earthquake Scientist Speaks Out against His Conviction*, in *Scientific American*, September 26, 2013 (http://www.scientificamerican.com/article/italy-abruzzo-earthquake-scientist-trial/?print=true, retrieved on November 11, 2014)

Hooper J., *L'Aquila earthquake scientists win appeal*, in *The Guardian*, November 10, 2014 (http://www.theguardian.com/world/2014/nov/10/laquila-earthquake-scientists-win-appeal-seismologists , retrieved on November 11, 2014)

- Mori M., *Redevelopment after the Abruzzo Event*, in *Management*, Scientific and Academic Publishing, Rosemead (CA, U.S.A.), 1/2011.
- Wolman D., *Italian Scientists Appeal Absurd Conviction for Quake Deaths*, October 15, 2014, available at http://www.wired.com/2014/10/italian-scientists-appeal-laquila-quake-conviction/, retrieved on November 6, 2014

- *A cinque anni dal terremoto, cosa ci insegna L'Aquila?*, April 4, 2014, available at http://www.mxit.it/it/media/news/2014/04/04/a-cinque-anni-dal-terremoto,-cosa-ci-insegna-l%E2%80%99aquila/, retrieved on November 10, 2014
- *Building Resilient Regions after a Natural Disaster – The Case of Abruzzo*, OECD, Paris (France), (http://www.oecd.org/gov/regional-policy/buildingresilientregionsafteranaturaldisaster.htm, retrieved on November 10, 2014)
- *Italy earthquake: L'Aquila EU relief funds' misused'*, BBC News, November 5, 2013 (http://www.bbc.com/news/world-europe-24807872?=true, retrieved on November 6, 2014)
- *JESSICA Evaluation Study in the Abruzzo Region*, European Investment Bank, Luxembourg, December 2010
- *L'Aquila quake: Italy scientists guilty of manslaughter*, BBC News, October 22, 2012 (http://www.bbc.com/news/worls-europe-20025626?print=true, retrieved on November 6, 2014)
- *Learning from earthquakes, Special earthquake report*, Earthquake Engineering Research Institute, Oakland (CA, U.S.A.), June 2009
- *Lessons from the L'Aquila earthquake*, available at http://timeshighereducation.co.uk/features/lessons-from-the-laquila-earthquake/2007742.article, retrieved on November 6, 2014

- *Mafia shakedown: EU relief funds for L'Aquila earthquake 'misused' by criminals*, RT News, November 5, 2013 (http://rt.com/news/money-rebuilding-l'aquila-earthquake-230/, retrieved on November 6, 2014)
- *Microzonazione sismica per la ricostruzione dell'area aquilana*, Gruppo di lavoro MS-AQ Regione Abruzzo – Dipartimento della Protezione Civile, L'Aquila (Italy), 2010
- *Strengthening Disaster Management in India*, Ministry of Home Affairs, Government of India, New Delhi (India), February 3, 2011
- *The earthquake in L'Aquila – A reason to tremble*, in *The Economist*, October 27, 2012 (http://www.economist.com/node/21565135/print, retrieved on November 6, 2014).

L'Aquila, Italy – November 25, 2014

TRANSACTION COSTSIN ABIOCLUSTER ON WESTERNJALISCO

José G. Vargas-Hernández, M.B.A.; Ph.D.

María Guadalupe Hernández Martínez

Centro Universitario de Ciencias Económica y Administrativas,

Universidad de Guadalajara

Periférico Norte 799, Núcleo Universitario Los Belenes

Zapopan, Jalisco, C.P. 45100, México

jvargas2006@gmail.com, jgvh0811@yahoo.com, josevargas@cucea.udg.mx

ABSTRACT:

The pharmaceutical industry represents an opportunity for a better quality of life and preservation of the health of people worldwide. The million-selling industry has evolved over decades: the first pharmacy in Mexico appears in 1915, which led to the first laboratory in the country, and today, Mexico is one of the largest markets, giving space to transnational and national companies of great international importance. The interaction between government, universities and companies directly affects the success of the industry, why the study of the link is relevant. The creation of the first Biocluster in Mexico marks a new outlook and a new age of knowledge, which involves co-benefits. For purposes of this study, attention in observing the decrease in transaction costs in this model is concentrated.

Key words: Biocluster, transaction costs, networking.
JEL. M210, L140

Resumen:

La industria farmacéutica representa la oportunidad de una mejor calidad de vida y preservación de la salud de las personas en todo el mundo. El sector de ventas millonarias, ha evolucionado durante décadas; en México aparece la primera farmacia en 1915, que dio lugar al primer laboratorio en el territorio, y hoy en día, México es uno de los mercados más grandes, dando espacio a empresas transnacionales y nacionales de gran importancia internacional. La interacción entre gobierno, las universidades y las empresas afecta directamente el éxito de la industria, razón por la que el estudio de la vinculación resulta relevante. La creación del primer Biocluster de Occidente en México, marca un nuevo panorama y una nueva era de conocimiento, que conlleva beneficios colaterales. Para fines de este estudio, se concentra la atención en observar la disminución de costos de transacción en este modelo.

Palabras clave: Biocluster, costos de transacción, redes.

Introduction:

Defined as the industry dedicated to the research, development, manufacture and marketing of chemicals or biopharmaceuticals used in the treatment and prevention of

disease, the pharmaceutical industry has sought the preservation of life since its inception and is the main source of health innovation. Its relevance is that one of the central issues of nations is to address the health problems of the population by ensuring access to and provision of medicines, as there is a positive correlation between pharmaceutical innovation and health conditions of society. The introduction of new drugs explains 40% of the average increase in life expectancy seen in 15 years in 52 countries, including Mexico.

These results justifies the significant investment in R&D in this field, which in turn presents challenges in intellectual property, competition, international regulatory frameworks, classification ofdrugs, changes in technology, among others (Pérez and Quiroga, 2013; Plascencia, 2009; Comité de Competitividad, 2010, Cámara Nacional de la Industria Farmacéutica, 2010).

The technological and scientific advances that enable progress sin improving the quality of life of the population are not simple to achieve. Jalisco has a unique opportunity, the constitution of the Western Bioclusterin 2009opensthe possibility of improving the transfer of knowledge and technology between universities and research centers and businesses in the sum of the efforts to achieve an increase in business competitiveness and regional growth (Cuevas, 2009)Similarly, it is possible that the formation of this type of bonding, favoring the reduction of transaction costs to be strengthened on trust between the parties.

Background:

Mexico is the second largest market in Latin America of the industry in question. However, it is considered an oligopolistic market with the presence of the 14 largest transnational production companies, and is therefore positioned as a leading manufacturing center of industry worldwide. It also has a good infrastructure, technology, trained staff and efficient administrative systems, and is considered a major producer of high-tech medicine, including antibiotics, anti-inflammatory and cancer treatments, among others. Finally, the statistics support that the pharmaceutical industry represents on average 1.2% of GDP and 7.2% of manufacturing GDP (Pérez and Quiroga, 2013; Plascencia, 2009).

The history ofproduction and marketing ofmedicinesorremediesis as oldas the historyof the country, since the ancestorsdevelopedremediesto solvehealth problemswith naturalproducts.However, thepharmaceutical industry*per* *se*began inMexicountii the nineteenthcentury whenDonLeopoldoRiode la Lozastartproduction of variousindustrialchemicals(Plascencia, 2009).In1915, inMexicoCitywas founded the pharmacySanta Ana,which led to thefirst laboratoryinMexico, SenosianLaboratories.And in1928 it waslaunched thefirst productin industryvolume: theglycerin suppository(Plascencia. 2009).

With the generation of great discoveries to the global therapeutic, such as vaccines, aspirin, sulfa drugs and penicillin in the late nineteenth and early twentieth centuries, it was originated a massive demand for drugs that led to the development of industrial pharmacy, propitiating some emerging companies like Schering, Merck, Bristol, Sterling Drugs, Parke

Davis, Hoffman-La Roche, among others. These firms were established in Mexico, beginning production in the mid-twentieth century (Plascencia, 2009).

In the 80s, laboratories in Mexico had stagnation in research on new molecules, focusing on process improvement. On the other hand, the government, through the Mexican Social Security Institute (IMSS) and the Institute for Social Security and Services for State Workers (ISSSTE), fixed the price of drugs, which caused one of the lowest levels in the world (Dussel, 1999).

In this context, public policies have exertedsignificant influencein thissector.An example of thisisthe Law onInventions and Trademarks of 1976, whichonly allowedthe patentof the production process, but notthe substance, the prohibitionon the importation ofpharmaceutical chemicalsproducts alreadyproducednationally.Also the Foreign InvestmentLawof1973restrictingforeign ownershipin companiesto 49%; Decreefor the Promotionand Regulationof the Pharmaceutical Industryin1984, which promoted the importation of drugstotheshortageofsuch trials in thedevelopmentandthe decentralization program, through a series of incentivesand tax creditsfromgeneral taxation(Dussel, 1999).

However, giventhe broad marketandimprovedlegal frameworkon intellectualproperty andopeningnew market niches, Mexicois an attractive destinationfor investment inthis industry.Eventhere have been detectedpotential investorsfrom countries likeJapan, Germany,Spain, Canada and USA. This would increase thecompetitiveness of the sector, due to the tendency for research and innovative technology to interested companies, which would become knowledge transfer(Pérez and Quiroga, 2013).

In 2009 the WesternBioclusterwas createdas a modelfor technological development relatedto life sciences companies.Stakeholdersare the University ofGuadalajaraandITESO, CONACYT, CIBO(Biomedical Research Center of the West,IMSS), so the member companies, such as:AguaFarmaPlastics, ATISA, CINVESTAV-IPN, Conabio-GEM, Laboratories Diba, Lapisa, Laboratorios VeterinariosLavet, Lori Compañía Industrializadora, Oximedic, Ultra Laboratories, Water & CleaningSistems Additives, World Lab(Cuevas, 2009).

The emergence ofcluster is anewarea of opportunityfor future years, which could produce a new generation ofcompanies that developnew productsand technologiesthat leadto scientific development, industry growth, and the country's economy.

Defining the problem:

The interaction between businesses, universities andgovernmentis necessary forth success of thesector.However,communication between the parties has not been achieved in an efficient manner. The lack of an instrument to facilitate the understanding of the academic terms, scientific and technological among institutions and companies has resulted Ina lack of confidence, which discourages any form of linkage(Cuevas, 2009)

The initiative Western Biocluster is becoming the instrument of bond, which contributes to acknowledge sourcesofdemand and supply, increasing the speed of knowledge transfer

whichmotivateseconomic growth.This form of organization could function as an integrating element that encourages trust among its members. This is relevant because the lackoftrust is a keyfactorin the business world, giving rise to transaction costs or negotiation, productinsatiablesearch for protection against opportunismthrough the useof contracts.

Research question

How it can benefit Biocluter model for reducing transaction costs among its members in the pharmaceutical industry?

Theoretical and conceptual history:

For purposes of this analysis the concept of transaction costs or bargaining costs were used, which include the costs of search and information, bargaining, decision-making, monitoring and enforcement.

Transaction costs originated in the work of Cease, in 1937, specifically in the article "The nature of the company". In the 70s, it became a topic of interest for research, so that adds to the analysis the work of two authors: Arrow and Williamson. This theory combines the logic and practice, which allows a more accurate description and explanation of organizational governance based on comparative efficiency criteria.

Literature review:

Coase (1937) made a significant contribution to discuss the transaction costs for the first time in 1937.It's based research question was the reason for the existence of firms; After arduous analysis, he realized that there were different costs of using the price mechanism that were not considered by the theory of his day, the price system, and he had to learn to control and centralize their management in any way. Then the concept of transaction cost arises, which are defined as the costs of negotiating and concluding contracts (Coase, 1937).Coase emphasized that fewer number of contracts and longer-term contracts, the costs are lower. Thus, the importance of contracts where are indicated clear specifications of what is desired and present is evident (Coase, 1937).

It is considered that the size of the company affects the performance of the employer, and that increasing the number of transactions; it may leave the employer placing the factors of production in the best use for profit maximization. This is what can be called diminishing returns management. For this reason, the firm will tend to expand until the costs of organizing an additional transaction within the company can be equal whether as carry it out in the market (Coase, 1937). The author talks about uncertainty and how it can affect the confidence to make transactions between agents; the lack of guarantee for receiving an income in exchange for the resources allocated causes this uncertainty which gives rise to contracts (Coase, 1937).

The same author, in his book entitled "The Company, the market and the law "begins by identifying the company and the markets the institutional structure of the economic system. Coaseclassifiestransaction costs accosts offending information, bargaininganddecision, monitoring and enforcement(Coase, 1988). Incorporates the term"socialcost", which refers to

actions of companies that have harmful effects on others, where he explains that this is problem of a reciprocal nature(Cease, 1988). As a final point, Coase (1988)notes the importance of the institutional context in affecting the incentives and transaction costs.

The next author is Arrow, in his book "Limits of organization", he addresses4 main issues: The concept ofrationality,information economy, the agenda of organizations and the concepts of authority and responsibility. One of the conclusionsofArrowin this textisthe importance of balance between the demands of society and individual needs(Arrow,1974).Within the concept of rationality, Arrow takes thelogicalpositivistpositionof Simon and maintains that rationality is about means, endsandtheir relationships.Individualsare pressuredbytheir desire for personal fulfillment and the claim of social consciousness.

Considering that resources are limited, both demands compete. Therefore, the interpersonall organization is necessary to ensure the economic benefits that can be obtained from cooperation(Arrow,1974). The efficiency of such individuals is improved with specialization, and can be achieved through the price system.Arrowmakesa criticism ofthis system, indicating that it has selfish motives andunethicalgrounds, offering a sense of freedom which in itself is an illusion because it does not prescribe fairdistribution of income.

The role of businesses relevant in this regard; the employees willing to obey authority, because it reduces transaction costsandtheir employment relationships create expectationofcontinued participation(Arrow,1974). As for the economics of information, Arrow sustains the fact that accurate decisions require the involvement of several peoplefortheir effectiveness. This is due tithe huge amount of information to process and the limited capacity of the handling of it. This leads toan economic cost; diminishing return scan be expectedintheuse thereof(Arrow,1974).

The agenda of the organizations is interpreted as the value of the chosen variables. As mentioned above, the decisions are based on information. Each member of the organization serves as a channel of the same and its efficiency can be increased through the proper choice of codes. These are determined in accordance with the best expectation sat the time of the creation of the company. The uniformityinthe behavior of members of the organization will depend on the code.Therefore,a company shapes the behavior of its members(Arrow,1974). Finally, on the concepts of authority and responsibility, it is stated that the authority is viable because it facilitates decision making. The organization acts as a means of manipulating social functions, where the price systemic a failure(Arrow,1974).

The last author isWilliamsonand his work: The economic institutions of capitalism: Firms, markets and relational contracting formulates three problems of transactions costs: technological support, cost minimization and asset specificity entering on the function of income(Williamson 1985). This approach indicates that thesis micro-analytical, more aware of the study's behavioral assumptions, which promote governance structure rather than production function, among other things.

Williamson also assumesriskneutralityand investigates the organizational formats a means to minimize transaction costs. And finally, in the second book, the author draws us new

terms, credible commitments and adaptation.(Williamson 1985). The author concludes thatthemain area of concerns the organizational level governance(Williamson,1985).

Methodology:

The methodology was qualitative and descriptive. An analysis of informationonrelevant data from the pharmaceutical industry, cluster formation and its benefits in terms of transaction costs was used. With regard to the theory mentioned previous works of the most outstandingauthorsare analyzed.

Analysis of results:

The creation of the Western Biocluster is an opportunity for companies to link projects, increase their productivity, innovation and competitiveness, as well, to reduce transaction costs.

With the literature review it is possible to note the ways as Biocluster decreases the negotiation costs:

A. With the decrease in the number of transactions to be handled as a civil partnership.
B. Increasing Performance Management.
C. Fostering relationships and thus trust between parties.
D. Decreasing the cost offending informationthroughknowledge transfer.
E. Balancingthe needs of each member and thesocialinterest.
F. Witha form of organization that tends tominimizetransaction costs
G. With adaptation and credible commitments

All these points summarize the benefits of linking business-university-government, in the formation of Biocluster, which aims to change the paradigm of the industrial age to a knowledge age, favoring the scientific-technological and economic development.

Conclusions:

After stagnation in research on new molecules, and the strong relationship with government laws in the performance of the industry, it was necessary to find solutions that motivated the success of it. The government for its own part makes changes to the legal framework and incentive linkage between universities, research centers and businesses to work together. That is why it was created the first Biocluster in Western Mexico, marking a new era of knowledge generation, leaving behind the position of a maquiladora country. Consequently this results in benefits to all parties.

Thanks tithe privileged position of Jalisco, which accounts for trained human resources, high quality educational institutions and has the business infrastructureofthe industry concerned, the constitution of WesternBioclusterwas possible,contributingto the process oftransferof knowledge and technology, so that the sum of efforts contribute to increase business competitiveness andregionalgrowthis achieved.

The new generation of companies that are developed under this model will have the right to introduce new products and technologies that lead to scientific development, industry growth, and the country's economy. This model aims to be the linking tool that helps acknowledge the sources of demand and supply, increasing the speed of knowledge transfer that encourages economic growth. The model functions as an integrating element that encourages trust among its members.

This association meets the search for protection against opportunism through the use of contracts. The decrease in the number of transactions, the increased management performance, minimizing the cost of finding information through knowledge transfer, the balance between the needs of each member and the social interest, the incentive for adaptation and the generation of credible commitments are examples of how theBiocluster contributes to lower trading costs that benefit business productivity.

References:

Arrow, K (1974). *The Limits of Organization*. New York, NY: W. W. Norton and Company.
CámaraNacional de la IndustriaFarmacéutica.(2010). I Censo de la
IndustriaFarmacéutica.Recuperado el 10 de mayo del 2014, de
http://www.canifarma.org.mx/censoIF_01.html
Comité de Competitividad. (2010). *Situación del sector farmacéutica en México*, Centro de EstudiosSociales y de OpiniónPública. Recuperado 19 de abrildel 2014, de
www3.diputados.gob.mx/.../Situacion_del_sector_farmaceutico_en_Mex.
Coase, R (1937). *The nature of the firm*.Económica, 4: 386-405.
Coase, R (1988). *The Firm, the Market and the Law*. Chicago: University of Chicago Press. (review)
Cuevas, G. (2009) *Biocluster de Occidentecomoplataforma para el desarrollo, cooperación y competitividadtecnológica*. Primer seminario de EconomíaInstitucional.Recuperado el 12 de mayo del 2014 en, http://www.laisumedu.org/DESIN_Ibarra/desin/fronteras/Cuevas.pdf
Dussel, E (1999). *Las industriasFarmacéutica y farmoquimica en México y el Distrito Federal*, NacionesUnidas, ComisiónEconómica para América Latina y el caribe- CEPAL, Recuperado el 20 de abril del 2014 en , http://dusselpeters.com/02.pdf
Pérez, G. yQuiroga, G. (2013) *IndustriaFarmacéutica, Unidad de Inteligencia de Negocios*.Secretaria de Economía, Pro México.Recuperado el 20 de abrildel 2014 en http://mim.promexico.gob.mx/work/sites/mim/resources/LocalContent/368/2/13 0806_Farma.pdf
Plascencia, M. (2009).*Historia y desarrollo de la Química: La Industriafarmacéutica en México*, SociedadQuímica de México, pp. 30-31
Williamson, O (1985). The Economic Institutions of Capitalism: Firms, Markets, Relational Contracting. New York, NY: The Free Press.

****

Attitude Of Coaches Towards Women Football In India (Social And Management Aspect)

Dr. Poonam Chauhan,
Vistula University, Warsaw, Poland.
0048729692456
poonamchauhan1986@gmail.com
India.

Vinita Baloni,
Ph.D. Research Scholar, Department of
Physical Education & Sports Sciences,
IGIPESS, University of Delhi. Delhi,
vinita.baloni9@gmail.com

ABSTRACT:

The history of sports is generally one of masculine dominations. The changing role of women in society from the Victorian age to the present manifests is an enormous social revolution, in which sports have played a major role and thus the development of women's sports in the present century definitely is one of the most fascinating topics. After knowing this fact, the purpose of the present study was to find out the attitude of coaches towards women football in India with the idea to know the social as well as management views/planning and its implementations in the field of this research, 100 football coaches from all over India were selected as samples by applying purposive sampling. For the collection of data self-developed questionnaire was developed with the help of guide and experts in the field of physical education and football and then it was administered. The reliability of questionnaire was tested by test-retest method (0.79) and validity was tested by content validity. In order to analyze the attitude of coaches towards women football in India, percentage method was applied. After completing the analysis of data the conclusion was drawn that there is a positive attitude of most of the football coaches towards female's football participation in India.

Key Words : Attitude, football, development

Introduction:

Women sports have been a topic virtually ignored by most scholars in our country. Female sports socialization has been a relatively undeveloped area of research. The changing role of women in society from the Victorian age to the present manifests is an enormous social revolution, in which sports have played a major role and thus the development of women's sports in the present century definitely is one of the most fascinating topics, as stated by Borns, Hebbelinck & Vernerando (1981).

Women have always played a definite role in history of mankind. It is said that education begins from the mother's lap. During recent years the world has seen a greater involvement of women in politics and world affairs so much that many countries including India have women prime minister and leaders.

Sports reflect values found in our everyday lives and even in entire society, women have been excluded from certain areas of significant participation in various aspects of living and this is also true for their involvement in sports and other physical activities. There is perhaps

no domain were myths, attitudes and belief remains so persistent in the world of sports. Kamlesh and Sangral (1981).

The physical and physiological advantages to men do not give them any right to rule over women. Parashar (1980) delivers that we are Indians where equal rights and opportunities are given by the constitution to every individual regardless of sex, caste and creed. In spite of these equality measures in the eyes of constitution women in India have little freedom and outdoor life due to social usage and cores arising out of marital, physical, psychological, economical and domestic circumstances and this is the main reason why the Indian women are way behind their counterparts. Hence, the research scholar has taken up the present study to investigate the most relevant factors that associate with the attitude and promotion of women's sport specifically football.

Procedure and Methodology:

The present investigation was conducted on 100 football coaches of India. For collecting the required data self-developed questionnaire was administered to all the selected football coaches. The scientific authentication of the questionnaire was tested by determining the reliability by test-retest (0.79) and validity by content validity with the help of the guide and the experts of physical education. The data analysis was done by applying percentage method.

Analysis of data:

In order to analyze the attitude of coaches towards the women football in India, the percentage method was used. The questions (23) which have been asked from the coaches are mentioned below along with their percentage responses of the subjects for each statement:-

Questions	Responses	Frequency	Percentage
1. Do you think that there is any job scope for women football player in India?	Yes	80	80%
	No	20	20%
2. Do you think that for females passive recreation like watching T.V. is better than taking active part in sporting activities like football?	Yes	0	0%
	No	100	100%
3. Do you feel that for females reading a book is more enjoyable than taking part in sports like football?	Yes	0	0%
	No	100	100%
4. Do you think that participation in competitive sports like football develops total fitness? (Physical/Mental/Social etc.)	Yes	100	100%

		No	0	0%
5. Do you think that woman football player do not have a career in India?		Yes	16	16%
		No	84	84%
6. Do you think that women football can develop its own image / position as India is a male dominating country?		Yes	76	76%
		No	24	24%
7. Do you think that women football should be given same emphasis / importance as given to the male football?		Yes	76	76%
		No	24	–24%
8. Media plays vital role in promotion of games and sports. Do you think that media will give more emphasis on promotion of women football in coming time?		Yes	92	92%
		No	08	08%
9. Do you provide time, equipment; dress or kit required for the game to your women / female football players to encourage them to participate in football?		Yes	100	100%
		No	0	0%
10. Do you think All India Football Federation (AIFF) is taking positive steps to improve or raise the status / standard of women football in India?		Yes	76	76%
		No	24	24%
11. Do you think that there are adequate clubs for women to play football in India?		Yes	80	80%
		No	20	20%
12. Does the federation pay any kind of motivating expenses to female football players?		Yes	65	65%
		No	35	35%
13. Do you feel that participation in football provides the women a situation for developing desirable character?		Yes	96	96%
		No	04	04%

14. Do you think that participation in football will help women to release physical as well as mental tension?	Yes	92	92%
	No	08	08%
15. Do you feel that playing football makes a valuable contribution towards building up adequate reserves of strength and endurance for everyday living of women?	Yes	92	92%
	No	08	08%
16. Do you feel that participation in football adds nothing to the improvement of social behavior of a woman?	Yes	08	08%
	No	92	92%
17. Indian history reveals that women have confined themselves to passive role rather than active role, so should women participate in games and sports.	Yes	100	100%
	No	0	0%
18. Do you feel that football is meant for selected few women who possessed extra ordinary qualities.	Yes	56	56%
	No	44	44%
19. Do you think that women can perform better than men in the field?	Yes	80	80%
	No	20	20%
20. Do you think that women are more dedicated than men in all aspects including sports?	Yes	60	60%
	No	40	40%
21. Do you think that other coaches from the other sports should encourage women to participate in football?	Yes	88	88%
	No	12	12%
22. Do you think that parent's attitude will be positive for women's football in India?	Yes	96	96%
	No	04	04%
23. Football is called totally a men's game. Do you think that women can change this attitude of population?	Yes	92	92%

	No	08	08%

As shown in the above table, in most of the statements the football coaches of India have given positive responses towards participation of women in football.

Discussion of Findings:

It is observed from the above table that the majority of the respondents indicated that women are much capable of playing football. The results show that 80% of coaches said that women have good job scope in India. 100% have said playing football improves total fitness of a woman. 84% responded that they have good career in India. 76% coaches want women football should be given same emphasis / importance as men football. 92% hope that media will promote the women football game in coming time. Maximum no. of the coaches believe that sports or playing football makes valuable contribution for building up adequate reserves for women. 92% have the thinking that participation in football adds improvement in social behavior of women. Surprisingly, 80% of coaches think that women can perform better than men in their respective field of football and women are more dedicated than men in all aspects with 60% responses. 96% believe that parent's attitude will change and become more positive towards women football in India. Last but not the least 92% have the attitude and belief that women will change this attitude of the population that football is totally a men's game.

Conclusion:

After administering the questionnaire, the data was collected by 100 football coaches of India from different states and after analyzing the responses given by respected coaches using percentage method, it was found that within the limitations of the present study there is positive attitude of almost all football coaches towards women football and women's participation in football. Encouraging and motivating an attitude whether that is coaches' or players' towards women football at any age is appreciating and helpful.

Reference:
Books:
1. Diane, L. Gill "Psychological Dynamics of Sports" (Champaign, Human Kinetics Books, A. Division of Human Kinetics Publishers. Inc. 1986)
2. Borns, J., Hebbelinck, M. & Vernerando, A. "Women and Sport" (S Karger Graphische Betriebe Coop Scheweiz, Basel 1981).
3. Kamlesh, M. L. & Sangral, M. S. (1981), Principle and History of Physical Education (Ludhiana: Prakash Brother) p. 108.
4. Bautilier, Mary A. & Lucinda, San Giovanni "The sporting Women" (Human kinetics Publisher. Champaign, 1983)

5. Parashar, B. L. "Bright Future for Women Sports" *Souvenir, 5th National Women Sports Festival.* Jabalpur (Jan. 1980), pp. 8 & 12.

6. Grendorfer, Susan "The Nature of Female Socialization into Sports" Cited by Carole A. Oglesby, Women and Sports from Myth to reality.

Journals:

1. Miller, M. J. "Women in Sports- A Reflection of the Greater Society" (1993). **The Journal of Physical Education, Recreation and Dance** 61. p.44.

2. Vertinsky, P. "Sports History and Gender Relations". *Journal of sports history* **21.** pp. 25-58.

Internet:

1. Women participation first time in Olympic http://www.olympic.org/women-sport-commission.

2. Gender Equality in Athletics and Sports.http://feminist.org/sports/olympics.asp

3. http://www.womentalksports.com/index.php

4. http://www.unspecial.org/UNS704/t33.html march2011.

5. http://www.facenfacts.com/NewsDetails/377/womens-empowerment-key-to-countrys-
   progres.htm

6. http://www.ifuw.org/rwanda/media/women_sports.pdf

*****

Trends in development of transport in urban areas

Dr Urszula Motowidlak
University of Lodz Faculty of Economics and Sociology
Department of Logistics Revolution 1905 No. 37/39
90-214 Lodz umotowidlak@onet.eu

ABSTRACT:

Transport is one of the most important sectors of the state's economy. Its appropriate organization can effectively meet the needs of people involved in the movement. Transport needs arise from a variety of sources, but are most often associated with daily access to work, school or college, offices, cultural and sporting facilities. Governments of large metropolitan centers are facing enormous challenges. To this group belongs also Poland. Due to the high number of the population, and hence large transport needs, these authorities are urged to use modern and efficient transport solutions. The development of society, access to new technological possibilities and modern techniques of commercial forces continued development of transport in urban areas, as shown in the example of the agglomeration.

Keywords: transportation, urban transport, individual transport

Introduction:

The organization of transport is one of the most important challenges that large urbanized centers are facing. For example, an analysis of agglomeration transports development in urban areas in Poland, which was the main objective of the article.

Nowadays, public transportation often loses in the competition with the individual car. Road transport plays the central role in the communication involving the carriage of passengers within the city or metropolitan. This leads to many negative effects, among which the most frequently mentioned congestion, especially during rush hour traffic, a large number of road accidents - accidents and collisions. In addition, it has a negative impact on the environment. In an era of growing automotive individual, local authorities should therefore implement measures to meet the transport needs of residents using public transport. It is important to carry out activities designed to enhance public transport and building awareness of the need for residents to move public transport. These actions should focus primarily on the construction and modernization of road infrastructure. They should as well promote public transport as the optimal means of transport in economic terms, time, safety and environmental protection. In addition, modern, large cities should have access to many modes of transport.

The essence of the transport needs:

The move is accompanied by a man from the beginning of history. Together with the evolution of societies and socio-economic progress turned it the need for deliberate and organized the transport of goods, people, or messages using specialized resources and equipment. Development and economic progress have high impact on the effective organization of transport, and thus can more fully meet the transport. Access too many branches and means of transport make it possible to organize transport at a high level to ensure the complete satisfaction of the needs of transport. It should be noted that not all transport needs are reflected in the form of movement. There are in fact transport needs of an envelope and apparent. They come often from certain habits, human behavior, and excessive consumption and are often unnecessary. From an economic aspect, they are not appropriate and qualified as a perceived need for transport [Rydzkowski, Wojewódzka-Król, 2000, p. 37].

Transport needs arise from human needs, e.g. the need for movement and mobility of the club. Factor of the spatial arrangement of the natural resources and productive forces is considered as the oldest determinant formation transportation needs. It includes economic sources, generating transportation needs based on the development of the international division of labor, the distribution of natural resources, organization, distribution, production cooperation and arrangement markets [Grzywacz, Burnewicz, 1989, p. 146].

Non-economic sources of transportation needs, however, cover:
- deployment in the area of scientific goods, educational, and cultural and entertainment,
- operation of government, including the provision of public security and national defense,
- the desire to establish and maintain human contact,
- utilization of free time,
- life-saving actions and human health [Grzywacz, Burnewicz, 1989, p. 148].

We can therefore conclude that the socio-economic sphere has a great influence on the formation of transport needs, the level or nature which leads to the proper adaptation of the qualitative and quantitative offer for potential demand. Any need, according to a microeconomic approach, is associated with a specific need for a specific need for forming the original shipping, or a collection of specific passenger, cargo and specific spatial distance, economic and temporal divides the starting point to the target [Rydzkowski, Wojewódzka-Król, 2000, p. 39].

The importance of the transport system in urban areas:

Development of urban areas is highly dependent on transport development process, as well as its economic and sociological values that have an impact on the economic and social activities of the inhabitants of cities and agglomerations, outline of the spatial urban settlement network, the level and manner of living of the population and the reality of the operation of the business. Transport becomes the factor bonding city and agglomerations which leads to the formation of specific transport systems regions.

Transport systems operating in urban areas have a specific character. Because they co-create a regional network node or national and create an internal system with the characteristics, formed under the influence of endogenous and exogenous factors, land use policies, as well as social and economic suitability. Endogenous factors describe handling shipments within cities, metropolitan, and exogenous pertain to how to lead the transit traffic as well as the integration of internal and external. Other important aspects that affect the image of the transport systems should include the level of complexity and development of linear infrastructure network transport sectors, as well as the interdependence of operating in the designated area subsystems [Paradowska, 2011, p. 42].

Today occurring phenomenon urban sprawl[21] increases the problems resulting from transport activity and forces changes in transport systems by introducing new solutions to more effective communication service cities. Transport in urban areas is very important. First of all, it is designed to meet the transport needs of both passenger and freight within and between different urban agglomeration centers. Inside the intensifying urban areas of transport processes, mainly due to the high intensity of all kinds of socio-economic activities including investment and production activities, often exercised outside the city center. Also of great importance is the correlation in terms of the flow of goods and people between the centers, especially between the main site and its satellites in metropolitan centers monocentric type. The creation of efficient transport connections requires adapted transport system, continuously monitoring the reported transportation needs, the creation of adequate infrastructure, both linear and points the different modes of transport, construction of bypasses in order to minimize transit traffic as well as an integrated public transport system.

The transport sector contributes in many dimensions to the economic growth of all kinds of manifestations of the region and the country. Transport is one the main determinants of economic activity as well as social and economic development, as pointed out already in the eighteenth century, Adam Smith. Among the main factors, determining the rank of a given region, are mentioned good transport accessibility that is determined by the richness and diversity of modes of transport. Based on the level of development of transport systems, the offer of the region is being built, which affects the fundamental attractiveness of the area's competitiveness, as well as investment and economic competitiveness in the supra-regional scale. They arise "corridors and zones of rapid development," whose task is to raise the rank of a given location and attracting investors.

Communication traffic in the city and metropolitan Poznań:

Poznań agglomeration is a monocentric one, whose native center is the city of Poznań - the capital of Wielkopolska (region in Poland). This agglomeration has been developing since 1918 and is currently one of the most powerful urban centers in Poland in terms of economic, economic and social aspects. To the strengths of the agglomeration include geographic location and strong economy. The proximity of the major hubs of international importance

---

[21] This phenomenon occurs in areas where an increase of land area assigned to the agglomeration or cities is higher than the increase of the population of the area at a specific time.

makes the metropolis an attractive place for foreign investors, especially from the logistics industry and automotive. A strong, well-established economy contributes to the fact that Poznan is now one of the best places for development. The diversity and quantity of work translates into one of the lowest unemployment rates in the country (approx. 4%). On the other hand, to the weaknesses of the agglomeration belongs a minimum share of inland waterway transport, as well as the relatively high maintenance costs related to, inter alia, high housing prices. River Warta flowing through Poznan belongs to the largest in Poland, so the regulation could contribute to the increased share of inland waterway transport in general. Urban development opportunities should be discerned primarily in various EU programs and the construction of the Poznań Metropolitan Railway, which will aim neighboring municipalities' fast communication with the city. EU programs are now the main source of many investments in Poland, which leads to the development of technology and infrastructure of our country. The main threat to the agglomeration of individual communication is the increase of the cost of public transport. This has negative consequences on the form of high congestion, more accidents and collisions. What is more, this has also the negative impact on the environment and human health. The influx of foreign companies can lead to reduced revenues and, in extreme cases, bankruptcy of small family businesses in the SME sector.

Due to the large urbanized agglomeration communication traffic on its territory, in particular in the area of Poznan, is very large. Transport within the city is based primarily on public transport and automotive equipment. It is supplemented by taxi and cycling. There are many different traffic generators in the agglomeration that attract people at the same time, causing congestion in the area. Many households living in this agglomeration are motorized, so on the road there is a lot of traffic and there is a lot of traffic incidents, mainly collisions.

Modal split of total transport in the city and metropolitan presented in Table 1.

Table 1. Modal split of total transport in the city and agglomeration

MEANS OF TRANSPORT	ZONE OF RESIDENCE			
	CITY CENTRE POZNAN [%]	POZNAŃ [%]	COUNTY POZNAN [%]	AGGLOMERATION POZNAN [%]
Foot	29,4	13,0	10,8	12,1
Passenger car	26,1	38,7	65,6	49,7
Taxi	0,7	0,4	0,1	0,3
Urban transport	36,4	41,0	5,0	26,3
Intercity bus	0,4	0,6	3,2	1,7
Other suburban bus	0,0	0,0	0,7	0,3
Bus Staff	0,2	0,1	1,3	0,6
Train	0,3	0,1	1,7	0,8
Bicycle	4,9	4,0	5,3	4,5
Motorcycle	0,1	0,3	0,5	0,4

Other	0,2	0,3	1,3	0,7
Urban transport + Urban bus	1,1	1,1	2,6	1,7
Public transport - other combinations	0,1	0,1	0,8	0,4
Passenger car + public transport	0,1	0,4	1,1	0,6

Source: http://www.plantap.pl/plan-transportowy-dla-miasta-poznania-2014-2025/, 15.11.2014.

Given the economic aspect, the economic and the social in the selection of vehicles came off best in Poznan downtown residents who have their transportation needs frequently pursue public transportation (36,4%) and walking (29,4%). This may result from the fact that the main traffic generators are usually located in the city center, so the distance from places of residence to the destinations are small. People living in the whole area of Poznan, also usually choose public transport (41,0%) as a means of transport, but the difference between individual transport (38,7%) are already low. Also decreases the number of these people moving on foot (13,0%). The worst record is among Poznan county's residents. Nearly 2/3 of the county's residents chose car as a means of transport, and only 5,0% of people use public transport. The cause of this condition may be limited access to the communes of the transport and long distance necessary to overcome in order to realize their needs. Overall, the entire agglomeration almost every other resident chooses a car to meet the needs of transport, 26,3% use public transportation, 12,1% walks, and other means of transport are used only to a small extent.

Over 60% of households in the district of Poznań is motorized, with the highest percentage of households having to his credit one car (43,1%). These indicators vary depending on the place of residence (Table 2).

Table 2. The automotive indicator of households depending on where you live

Place of residence	SHARE OF HOUSEHOLDS				
	Non-motorized [%]	Motorized [%]	With 1 car [%]	2 cars [%]	3 cars and more [%]
Town center Poznan	57,5	42,5	36,3	5,4	0,9
Poznan	47,1	52,9	42,2	9,0	1,7
Non-urban area of the county in Poznan	19,1	80,9	40,0	32,8	8,1
County of the city of Poznan	27,3	72,7	52,6	16,1	3,9

| County Poznan | 22,4 | 77,6 | 45,0 | 26,2 | 6,5 |
| Agglomeration Poznan | 39,2 | 60,8 | 43,1 | 14,5 | 3,2 |

Source: *Plan zrównoważonego rozwoju publicznego transportu zbiorowego dla miasta Poznania na lata 2014-2025*, dostępny na: http://www.plantap.pl/plan-transportowy-dla-miasta-poznania-2014-2025/, 15.11.2014.

Most of the households living in the city center does not have a car (57,5%), while holding motorized have to his credit mostly just one car (36,3%). This may be due the fact that their daily transportation needs can be accomplished by alternative center of communication, including public transport. Considering the entire city of Poznan data are slightly different, however, marked by a preponderance of households with cars (52,9% of the total). Significant differences can be observed by analyzing the data scale and non-urban areas of the county. On the extra-urban area more than 80% of households are motorized. Often these families have to his credit more than one car (40,9%). This is due to the fact that people living outside the city have limited access to alternative means of transport and their communication needs must be accomplished using private transport.

The high share of motorization agglomeration leads to an increased volume of traffic on the road, and is an indirect cause of road accidents - accidents and collisions. According to the 'Report of traffic jams in 7 major Polish cities' the drivers traveling in the Poznan spent on the average almost 12 hours per month in traffic, thus losing more than 1000 USD per year. The roads in the city center and the main road exit are the most congested stretches. Large caps are also formed in infrastructure works, as well as their tours. With accordance to the information of Municipal Police in Poznan in the period from January to September 2014 over the area of the Poznań district came to 335 accidents and collisions until 6926, in which 398 people were injured and 32 people were killed.

Most commonly, road accidents occurred due to:

— withholding of way,
— inadequate to the situation prevailing speed on the road,
— failure to observe a sufficient distance between vehicles,
— improper reversing,
— improper lane change.

The most dangerous places. taking into account the number of road accidents are: roundabouts - Śródka, Rataje, Solidarity, Obornicka, Starołęka intersection: Dolna Wilda – Piastowska, Jana Pawła – Baraniaka, Katowicka – Maltańska, roads: No. 92, No. 11, No. 5 and No. 434.

Conclusions:

Transportation has always accompanied man, contributing significantly to the development of civilization. In contrast to the fundamental needs of biological, sociological and cultural transport needs are related to the social and productive human activity. The increased mobility of communities living in urban areas or agglomeration is an important

point changes in the organization of transport systems. Increased demand for transport both within the metropolis, as well as between them results from the economic and social aspects. Among the sources of such transport needs stands out above all commuting to work or school, needs related to culture, tourism and recreation, the implementation of which is held in the cities. Not without significance, in terms of increased mobility, is also the phenomenon, called urban sprawl, which extended the distance necessary to overcome in order to meet the needs. The increase in personal communication and increased social mobility has increased the need for transport infrastructure. That is why it is very important to build a network of public transport and to promote public transport. Actions of large agglomeration centers should focus on reducing individual transport to public transport. High availability territorial, modern fleet, affordable fares and the introduction of a number of facilities (e.g. bus lanes) for public transport should be the driving force of public transport, and thus should encourage more people to use the services of carriers in implementation of daily transportation needs.

Literature:

- Bartniczak B., *Zrównoważony transport na poziomie regionalnym jako przedmiot pomiaru wskaźnikowego*, Uniwersytet Ekonomiczny we Wrocławiu, Wrocław 2011.
- Grzywacz , W., Burnewicz J. The Economics of transport, Ed. Communications, Warsaw 1989.
- http://www.mpk.poznan.pl/o-mpk/o-nas, 21.11.2014.
- http://www.mpk.poznan.pl/o-mpk/tabor, 21.11.2014.
- http://www.plantap.pl/plan-transportowy-dla-miasta-poznania-2014-2025/, 15.11.2014.
- http://www.poznan.pl/mim/s8a/news/w-poznaniu-najnizszy-poziom-bezrobocia-w-kraju,72662.html, 13.11.2014.
- http://www.poznan.policja.gov.pl//index.php?option=com_content&task=blogcategory&id=67&Itemid=113, 15.11.2014.
- Paradowska M., The development of sustainable transport systems Polish towns and cities in the integration process in the European Union, published by the University of Opole, Opole, 2011.
- Raport o korkach w 7 największych miastach Polski Warszawa, Łódź, Wrocław, Kraków, Katowice, Poznań, Gdańsk, Deloitte Polska, 2014, dostępny na: http://korkometr.targeo.pl/Raport_Korki_2013.pdf, 20.10.2014.
- Rydzkowski W., Wojewódzka-Król K., Transportation, PWN, Warsaw, 2000.
- Szołtysek J., *Kreowanie mobilności mieszkańców miast*, Wolters Kluwer Polska Sp. z o.o, Warszawa 2011.
- Szołtysek J., *Podstawy logistyki miejskiej*, Wyd. Akademii Ekonomicznej w Katowicach, Katowice 2007.https://www.ztm.poznan.pl/kontakt-2/przewoznicy/, 20.11.2014.\

*****

60th Year of Diplomatic Relations and Academic Ties between India and Poland

Pradeep Kumar

Indo-European Education Foundation

ABSTRACT

Since 2004, Poland became one of the attractive destinations for Indian investors in Central Europe as one of the potential destination and get way to the European Union. In the similar manner Polish Investors started to look forward to find space for Indian market. Relations between India and Poland are very old which has begun prior to 15th century towards and further diplomatic relations been established in 1954.[22].

Relations between India and Poland is growing on day-by-day basis, but not yet reached to the certain expected goals. When Poles are expecting more close ties with India and Indian universities, Poland has never been considered a serious academic or business partner among Indians. Economic ties at least have increased in last years but academic/educational ties has never been appreciated.

This research paper is about to find out why Polish education system and Polish universities are not popular among Indians? And how education can play a wider role to develop India-Poland relations?

Key Words: India, Poland, education, relations, universities.

1. Introduction: A general Analysis of India-Poland Relations

Relations between India and Poland can be discussed within three different approaches:

- Pre-Soviet period that ended in 1989 after fall of Soviet Union;
- About 25 years following democratic Republic of Poland after 1989 onwards;
- A member state of the European Union after 2004.

The findings indicated that the relations between India and Poland began in 15th century; when number of Polish writers, soldiers and missionaries visited to India with the interest to know Indian culture, civilization, Philosophy, and spiritual India. In 1820 the first book "History of Ancient India" written by Polish Historian 'Joachim Lelewel' was published. A chair of Sanskrit was setup in the Jagiellonian University of Krakow in 1893. An Indological Centre & Research for studies in Universities of Warsaw, Krakow, Wroclaw,

---

and Poznan were established, where in an active research is going in Indian studies especially in Sanskrit, Hindi and recently started Tamil studies.

During the World War II around 6,000 Polish people were persecuted, they were sheltered in India for long time. Mr. Maurycy Frydman-Bharatananada, a lawyer and engineer contributed to development of industry in India. In Hyderabad still lives a very old now Ms Kira Banasinska, who took care of Polish children refugees from Russia, received and accommodated by India during Word War II.

At the beginning of 20th century the Polish Painter Norblin was employed by the Maharaja of Jodhpur (which now in the State of Rajasthan), where his paintings could be seen even today. The assassinations of Mahatma Gandhi's paintings by Feliks Topolski are adorned in the President's Bhavan of India.

Two prominent Poles; Murice Friedman (Swami Bharathananda) and Wanda Dynowska (Umadevi) were closely associated with the Freedom struggle of India and their contribution through literary writing are memorable even today. The official diplomatic relationship between India and Poland began in 1954. Before, a commercial agreement had been signed in 1949. India established its embassy in Warsaw in 1957. During the period of Cold war due to the friendship with Russia, both have became friends.

A solidarity movement let by Lech Walęsa in 1980 became a symbolic movement for unity and over time it became a political force against communist rule to bring free and democratic parliamentary election in 1989. After the collapse of the Soviet Union and the end of cold war both started establishing relations in a broader perspective and started developing their amity through their common friend United States of America. After the decline of communist regime in 1989, both the democracies strengthened their relations through the Parliamentary system and a number of delegations and heads of states of both started visiting each other to augment their further relations. These political ties led both of them to consider each other an important ally in their relations with other European and Asian nations.

In contemporary world- Poland was found to be India's largest trading partner in within the region of Central Europe and again the sixth largest economy in the European Union. Therefore, Poland served as the main "gateway" through which India could easily access the expansive European market. In this case, there were greater incentives of the investors from Europe and also a greater opportunity and chance to realize growth for Poland.

Current year 2014 is very significant towards India-Poland relations, when both countries are celebrating 60th year of diplomatic relations and watching themselves as potential markets. Analyzing these 60 years of diplomatic relations Polish Parliament had hosted an international conference *"Poland-India – Towards Efficient Economic Model of*

Diplomacy?"[23], at Polish Parliament (SEJM-RP) on September 25th 2014. The conference become significant because it was the first public talks of newly appointed Foreign Minister- Mr. Grzegorz Schetyna. He emphasizes his role to improve economic relations between Poland and India during his speech. During this conference author- who participated as one of the expert from India and presented that India and Poland are two potential markets for each other with huge opportunities. The largest and untouched area of cooperation is education that can fulfill each other's desired area of interest.

In case of India and Poland- it has been seen that after 2004, Poland became one of the attractive destination for Indian investors as well as Polish Investors started to look forward to find space for Indian market. But this newly increased interest in area of business ties seems to be very slow in effects- due to lack of knowledge, information and experience. Even, after 60 years of established diplomatic relations there are lack of education and business cooperation between these two entities. Less than 210 Indian students are studying in all Polish Universities and similar manner less than 20 Polish students are studying in Indian universities. We are not able to find all together 60 companies (as FDI) from both the countries. Thus, certainly there is a gap between these two entities that is affecting academic & business ties between them although relations are based on centuries.

2. Education – As boon of any strategic partnership

Education is the main source of knowledge and knowledge is developing relations between two individuals, two states and two nations. In case of India and Poland such sources are lacking; knowledge about these countries are very limited & approaches are insufficient. Currently, in one hand Poland is facing demographic problems which is effecting Polish institution's- universities are not able to get enough number of students (paid tuition fee students) and they are on the way to shut-down (specially private universities) and financial institutions are facing trouble to run them properly. Another had India known for 2nd largest English speakers, largest number of youth for higher education and paid tuition fee study system in the world. Indian private education sectors are doing excellent towards quality education and entrepreneurships.

In recent years education has become the most advanced form of investment to increase the capital flow of any organization. In general, if the profit rate is more productive and higher, investment is considered as more advanced. It gives quick and stable cash flow by using large number of human resources. Education is not only profitable business but in social point of view it is the best novel business and highly respected in social life.

Investment in education is coming with two different point of views- *quantitative, and qualitative.*[24] Figure 1.

---

[23]http://www.sejm.gov.pl/Sejm7.nsf/komunikat.xsp?documentId=BD8DE9C9EF9FE89BC1257D5600464A34.
[24] P. Lpredana-Ioana, *Interllectual Investment, the prospects in Education in the USA and in the EU*, Annals of the university of Petrosani. Economics. 10(1), 2010, pp. 279-288.
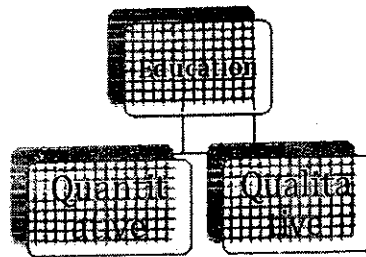
1) **Quantitative point of view-** the expenses for education are higher than the coasts, because they comprise both the expenses destined to insuring the conditions for a good functioning of the education, as well a the expenses for education, made for the education action.
   These days such practices are visible in Poland very easily among private universities.

2) **Qualitative point of view-** the expenses for education are represented by the funds assigned to this action, where as the cost of education represents the expenses made specifically for education, diminished by the revenues made by the education institutions. In other words, expenses represent the funds assigned to education, and cost represents the specific consumption of these funds.

Both the views mentioned above are very important to run an institution or university as well as maintain their quality of education. It has been seen that most of the private universities are struggling to survive due to less number of students getting admissions. If they don't have enough number of students, it is hard to maintain the management and quality of education and run the university.

In case of Polish public universities situations are different. They are dependent on public funds so strategies are also more complicated with less openness and without understanding of student's requirements for job placements.

To understand such complex which creates a gap between institutions, students and nations this research has been conducted. From India and Poland, author conducted research questionnaire with 51 universities including public and private sectors. Only covering five areas- questions were asked about the cooperation with India/Poland, how many Polish/Indian students are studying at your University? Are you able to fulfill all admissions for current academic years? What is the standard of incoming students from India/Poland? Do you have any special support/mechanism/strategies to gain number of qualified Indian student? What is the method to admit student for regular study? Responses were received from the officials from Poland and India, which is going to be discussed in this paper.
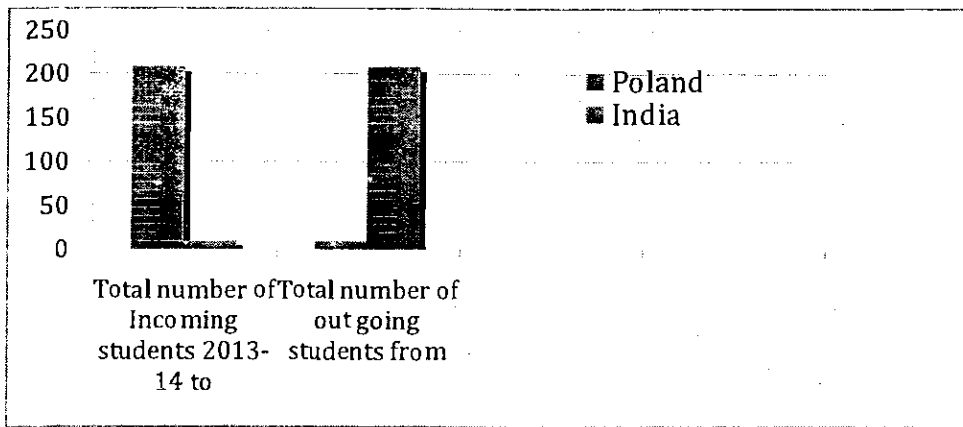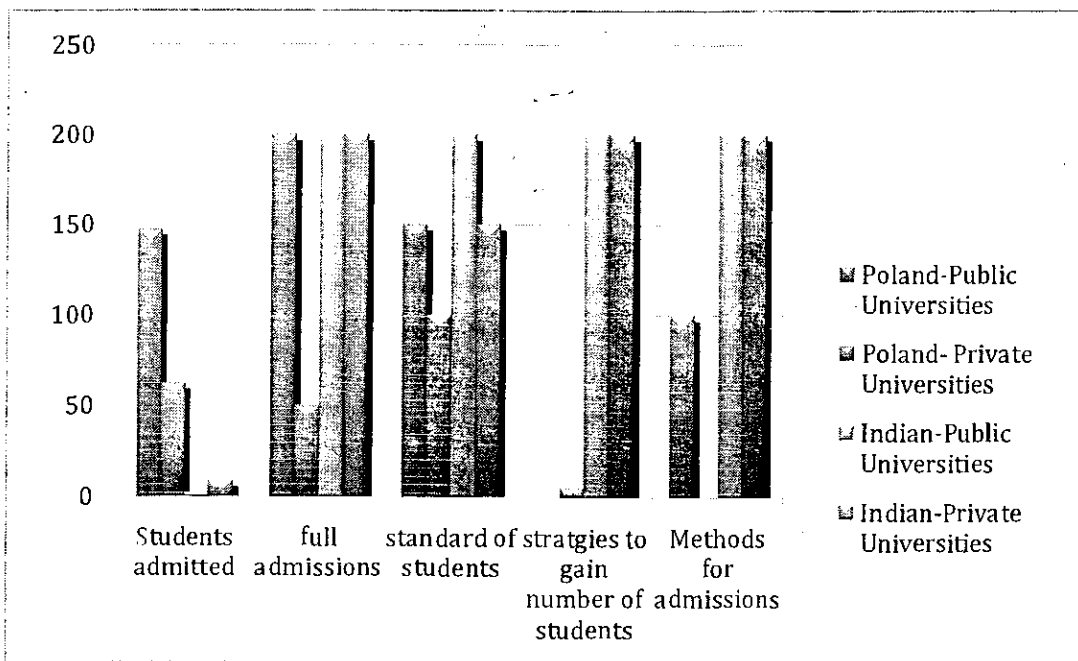
Figure 2.

Sousce: own study on the basis by conducted survey.

As shown on figure 2, the total numbers of students admitted from India to Polish Universities are 209 and Polish students to Indian Universities are 10 only[25].

Figure 3.

Source: own study basis on conducted survey

In above shown figure measurement is 200=100% as the full capacity.

---

[25] www.naukawpolsce.pap.pl/en/news/news,397976,report-over-29-thousand-international-students-study-in-poland.html

- Public universities dominate student's admissions in Poland than private universities. But in India Private universities are more selected by Polish students than public universities.
- Admissions are completed at public universities in Poland but private universities are not able to fulfill all admissions due to less number of applicants.
- By receiving qualified students percentage at Polish Public universities are 60-80%, when private universities receive 20-80%. In case of India standard of students are 100% due to selection process.
- No specific plans/strategies implemented by public or private universities from Poland especially for Indian market; few private universities are working effectively based on individual capacity.
- No specific methods for selection for qualified student's except- online registration and interviews at Polish Public universities. In case of Polish Private universities not any criteria to select students, it is based on first come first serve basis. But in the case of Indian Public and private both universities select students through their common entrance test conducted by govt. agencies/individual universities.

3. Interested Polish universities to get students from India and start cooperation with Indian market

Author has conducted individual interview with Owner/Rector/Vice-Rector/Vice-Chancellor's to understand the strategies for India-Poland market. 99 per cent of Polish universities are willing to cooperate with Indian market and planning to bring syllabus/plans for English studies where more foreign students can participate.

Public funded universities:

1. *University of Warsaw, Warsaw.*
2. *Warsaw University of Technology, Warsaw.*
3. *Warsaw University of Technology, Faculty of Power and Aeronautical Engineering, Warsaw.*
4. *Warsaw University of Life Sciences- SGGW, Warsaw.*
5. *Warsaw University of Life Sciences-SGGW: Faculty of Civil Environmental Engineering, Faculty of Engineering and Environmental Science, Faculty of Horticulture and Landscape Architecture), Warsaw.*
6. *University of Lodz, Lodz.*
7. *Wroclaw University of Economics, Wroclaw.*
8. *Poznań University of Economics, Poznań.*
9. *University of Warsaw, Faculty of Management, Warsaw, Poland.*
10. *Warsaw School of Economics, Warsaw, Poland.*

Private universities:

11. *Akedemia Finansów i Biznesów Vistula, Warsaw*

12. *Higher Engineering School of Industrial Safety and Work Organisation in Radom (WISBiOP w Radomiu), Radom.*

13. *University of Ecology and Management in Warsaw, Warsaw*

14. *Lazarski University, Warsaw*

15. *Warsaw Management University, Warsaw.*

16. *University of Euroregional Economy in Józefów, Warsaw.*

17. *University of Social Sciences and Humanities (SWPS), Warsaw.*

18. *Institute of Geodesy and Cartography, Warsaw, Poland*

19. *Wszechnica Polska University in Warsaw, Poland*

20. *Kozminski University, Warsaw, Poland*

21. *University of Applied Sciences (PWSZ) in Nysa, Nysa.*

4. Interested Indian universities to cooperate with Polish market as well as Polish universities.

Public universities

1. *Chankya National Law University, Patna.*

2. *A. P. Law University, Kanyakumari, Tamin Nadu.*

3. *Dr. Ram Manohar Lohia National Law University, Lucknow*

4. *University of Pune, Pune*

5. *Indian Institute of Technology, Madras*

6. *Indian Institute of Technology, Delhi*

7. *Delhi University, New Delhi*

8. *Lalit Narayan Mithila University, Darbhanga.*

9. *Dr. B. R. Ambedkar College of Law, Andhra University, Visakhapatnam, India*

10. *Womens College, Patna*

Private universities/Institutes

11. *Bharati Vidyapeeth Deemed University, Pune*

12. *Bharati Vidyapeeth Deemed University, New Law College, Pune*

13. *Bharati Vidyapeeth Institute of Management and Research, New Delhi*

14. *Noorul Islam University, Trivandrum*

15. *ASM Group of Institutes, Pune.*

16. *Institute of Management and Technology, Ghaziabad.*

17. *Vidya Pratishthan's Institute of Information Technology (VIIT), Baramati, Pune.*

18. *O. P. Jindal Global University, Sonipat, Haryana.*

Higher Secondary Schools

1. *Deep Public School, Vasant Kunj, New Delhi*

2. *Shanti Gyan International School, Goyla (Dwarka), New Delhi.*

5. Possible area of cooperation between Indian and Polish universities

There are many possible ways to cooperate with each other but author advice that following areas are identified and partners are ready to cooperate so the effect of this cooperation will be at large scale based on human capital as intellectual capital:

Figure 4.
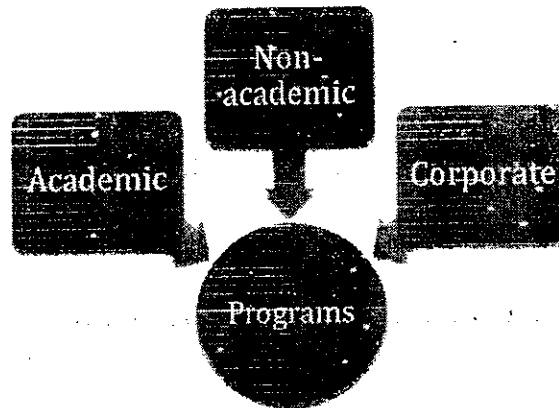
I.Academic Co-operation:

Through academic cooperation Polish universities and scholars will be able to introduce themselves to Indian market through various means such as- joint research studies programs, Joint conferences, joint seminars, joint workshops, joint publications and projects as well as training for students, scholars and corporates in the broad area of academic development. Student exchanges & faculty exchange based on signed MOU between partner universities.

II.Non-academic Cooperation:

Non-academic cooperation can fulfill the desire of all Polish universities- private and public to choose appropriate Indian academic partners and establish new form of cooperation through which they can get numbers of qualified students from India. As Polish Embassy in New Delhi is responsible for visa process for all 6 countries including- India, Nepal, Sri- Land, Bangladesh, Maldives and Burma, the cooperation can bring huge impact to the Polish university to gain human capital. By paying full tuition fee to the Polish universities, students from Indian region suppose to be very happy due to low tuition fees in Polish universities in compare to UK, USA, Australia, and Canada. And university from Poland can get enough number of well-qualified students and capital to maintain their quality of education and organization. the proposed cooperation can be establish through following ways

- ✓ Direct Students Admission to Polish Partner University (DSAPU);
- ✓ Administrative Collaborations with Indian Universities;

- ✓ Organizing international conferences to bringing together scholars and businesses from India to Poland and Poland to India, and to support Partner University to achieve their interest in Indian market.
- ✓ Recruit students to the Polish university through "CET-India" test, launched by Indo-European Education Foundation.[26]

III. *Corporate/ MNCs Co-operation:*

this program is to establish a new relationship between academia and corporates. Under Corporate Program Partner University will be able to access- internships and campus jobs for their students, scholarships supported by MNCs, and training programs for students and scholars. Each and every semester students will be able to join multinational companies for their internship during semester break that will be supportive to find his/her future employer. Such program can also guarantee students to get jobs under campus selection process conducted by partner companies.

6. Factors dominating gap between India and Poland

I. *Limited Knowledge:*

The knowledge of India in Poland, and Poland in India is quite limited. Although India has gained significant identity among Polish society (academia & corporate) but Poland is not popular among Indian.

II. *No marketing budgets for India:* Polish universities are more concentrated on Polish market and Eastern block (Ukraine, Belarus, Russia, Uzbekistan, Kazakhstan etc.). They are not ready to expend marketing budget for country like India and China.

III. *Stereotype thinking and planning for Indian market:* all Polish universities are willing to get number of students from India but no one is willing to invest for this human capital. Each universities are willing to sign an agreement with Indian consultant on the basis of provision system, which explains that if any students are recruited through them and students successfully starting his semester than only university is going to pay provision fee 15- 30 % (as settled in agreement) to the consultant from received tuition fee. As tuition fees are very low to the Polish universities (2000- 4000 Euros), provision fee received by education consultant is very less and it is not increasing interest of Indian consultant to send student to the Polish universities. They prefer to send students to UK, USA, Australia and Canada, where tuition fees are approx. $15000 – 30000 and even received 15-30% tuition fee is enough to do marketing and work for the associated partner universities. Polish universities need to change their strategies towards Indian market and thing beyond stereotype market planning to gain human capital. Latest, many programs been launched by Indo-European Education Foundation towards Indo-Poland cooperation which can be beneficial for Polish universities to reach to Indian market ant get number of well qualified through various programs.

---

[26] http://www.ieef.pl/en/news/144-cet-india-test-launched-on-31st-august-2014

IV. *Less carrier oriented programs:* most of the Polish public universities are depending on either public funds or projects funded by the European Union. Thus these universities are not in stress to provide a carrier oriented programs that can increase interest of students as well as insure future jobs for passing students. It should be based on interlinked with corporate and education.

V. *Dominate Polish language study courses:* very few Polish public & private universities are offering English study programs. All though they are planning to bring new syllabus in English study program but still such opportunities are very limited. If there are not English study programs how any foreigners, non-Polish speaker can join their study programs? These universities need to act urgently and quickly to be open for foreign students, who can bring them financial as well as human capital. Especially, when Poland is facing demographic problems.

VI. *Dominate oriental study programs:* It has been seen that at majority in Polish universities- classical Indian studies are predominant than contemporary study and Real India of 21st Century. Despite of significant number of university's departments dealing with oriental studies, there is very poor level of educational and business cooperation between Poland and India. Polish and Indian societies increasingly look forward towards various sectors such as social, cultural, legal, educational and corporates. Thus programs suppose to be based on demand of today's generation.

VII. *Lack of Research/support centers:* In Central and Eastern Europe there is no research Centre concerning modern India, which can support and give strength to Indo-Polish cooperation in various sectors- education, socio-economic, corporate relations. Various companies, institutes, organizations (governmental and non-governmental), universities and individuals will require professional support to the understanding of complexities of Indian business as well as Polish approach.[27]

7. Opinion about Indian students in Poland
Figure 5.

---

[27] P. Kumar, *"Evolution of India and the European Union Trade Relations: A Realistic Approach Towards Cooperation"* in eds., R. Chopra et al. *"Beyond Norms Strategies for Excellence"*, Bloomsbury Publishers, India, 2013, pp. 164-174.
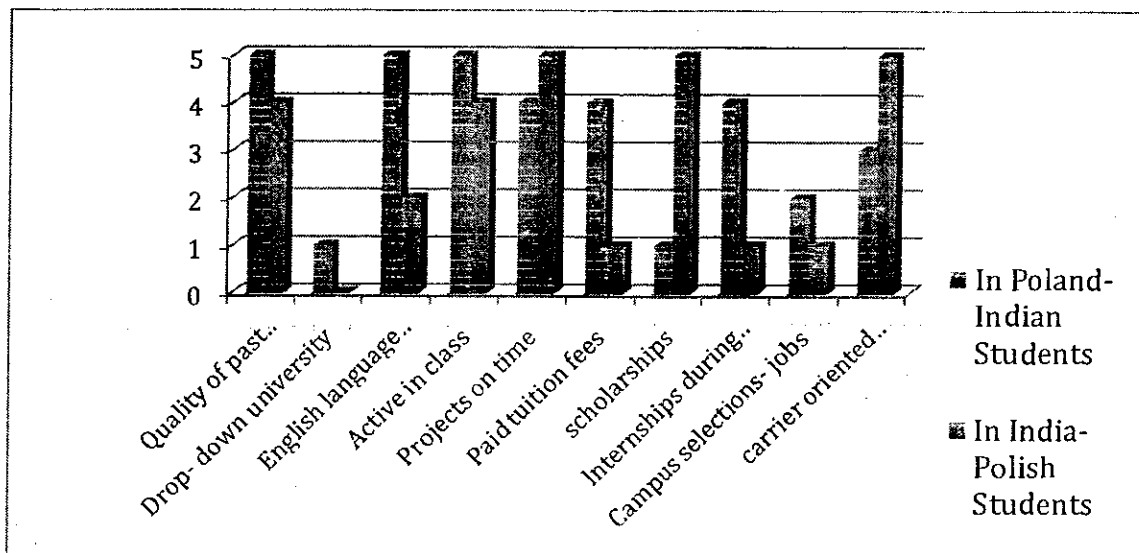
Sources: own study based on survey conducted at 50 universities

Survey asks about the student's performance during their study programs and financial supports. Findings are:

✓ In compare to foreign students joining Polish universities, Indian students choosing professional courses are well-prepared and coming from good educational background.

✓ After Joins University to Poland, there is less than 1 per cent chance to dropdown university programs. In case of Polish students it is more than 1 per cent.

✓ Language skills English as medium of instructions are much higher among Indian students than Polish students.

✓ Students coming from India is more active in class, completes projects on time, and 99% students joins Polish universities on the basis of full tuition fee. But for Polish students joining Indian universities it is totally opposite- less active in class due to different education system, Hard work and time consuming to complete the assigned projects, and 99% Polish students are only able to join Indian universities, when they receive either 100% scholarships or partial financial supports.

✓ As Indian universities and study system is more competitive students joining Polish universities from India- more demanding, ready to join internship programs, and eager to join placement cells under campus selection process and put huge efforts to join firms to start their jobs. In case of Polish students- less demanding and less eagerness towards carrier oriented programs, most of Polish students are not clear about their future plans, they don't know what they want to be, after completion of degree/diploma programs.

8. Conclusion

India and Poland shared similar democratic values and numerous converging strategic interests and also unexploited potential economic and educational cooperation. The two nations were also found to have serious and implicating disagreements between them. This was a strong point for bilateral cooperation between the two nations.

The purpose of this research was to identify the barriers effecting educational cooperation between Poland and India. Author used the small samples and B2B meeting with owners and students, so the result should be generalized. This paper also identified several areas of cooperation suppose to be strengthen through various means. By realizing the fact that education is the only way to establish long term cooperation between nations and generate long-term profits for any organization or companies.

Thus, it is recommended to the Indo-Polish institutions/organizations and specially universities to think beyond the traditional approach (stereotype) and increase the area of cooperation based on interlinked model of cooperation- education- entrepreneurships.

References:

- T. Schultz, *Investment in Himan Capital*, The American Economic Review, 1961, Vol. 51, No. 1, pp. 1-17.
- E. Mercier-Laurent, *Managing Intellectual Capital in Knowledge Economy*, Federal Conference on Computer Science and Information Systems, ACSIS, Vol.v., pp. 253-257.
- P. Lpredana-Ioana, *Interllectual Investment, the prospects in Education in the USA and in the EU*, Annals of the university of Petrosani, Economics, 10 (1), 2010, pp. 279-288.
- P. Kumar, *"Evaluation of Indo-Polish Relations: A Realistic Approach under Legal framework of FTA"*, eds. M. Sarda, *Bharati Law Review*, Vol. 1- Issue 2, Oct-Dec., 2012, ISSN 2278-6996, pp.59-72.
- P. Kumar, *"Evolution of India and the European Union Trade Relations: A Realistic Approach Towards Cooperation"* in eds., R. Chopra et al. *"Beyond Norms Strategies for Excellence"*, Bloomsbury Publishers, India, 2013, pp. 164-174.
- www.naukawpolsce.pap.pl/en/news/news,397976,report-over-29-thousand-international-students-study-in-poland.html
- http://www.ieef.pl/en/news/144-cet-india-test-launched-on-31st-august-2014

*****

Contemporary Human Resource and Talent Management: Building Strengths-Based Leadership Capabilities

Sylvia K. Lee

Kieran:Patrick Consulting

Canada E-Mailid: kpc@kieranpatrick.com

ABSTRACT:

As leaders in business, information technology, health care, social work, education, agriculture, and many other fields lead their organizations within the context of constant and rapid change, their use of strengths-based leadership approaches can generate constructive organizational cultures and high levels of innovation, performance, and employee engagement. In contrast, continued use of the vastly more common deficit-based leadership tends to generate defensive organizational cultures and a focus on avoiding blame, maintaining the status quo, and minimizing risk, leading to low morale, low engagement, and mediocre performance. Strengths-based leadership approaches provide leaders with practical ways to change their own and others' beliefs and attitudes from a deficit to a strengths paradigm. Those who design and deliver leadership development programs have a moral imperative to help program participants build their strengths-based leadership knowledge and abilities, and can do so by both teaching strengths-based leadership directly and by embedding strengths-based approaches into program design and learning activities.

Key Words: Strengths-based leadership; culture change; human resource management; talent management

Leadership and change have been linked inextricably in the literature from ancient to contemporary writings, whether leading change in a group, organization, community, or society, or helping people maintain equilibrium in a changing environment. Today, both scholarly and popular literature emphasize that the rapid pace of change creates the need for agile, flexible organizations. Increasing competitiveness, the push for innovation, and demand for continuous improvement of goods and service quality, drive new leadership decisions and actions (Jaruzelski and Katzenbach, 2012).Many research projects have demonstrated correlation between leadership and culture, and between culture and both performance and innovation. Increasingly, researchers have demonstrated the efficacy of strengths-based leadership approaches in building and growing constructive cultures that engender high-performance workforces through effective human resource and talent management(Avolio, Avey, and Quisenberry, 2010, Katzenbach, Illona, and Kronley, 2012, Schein, 2010). Strengths-based leadership has application in many human resource and talent management activities and roles, from change leadership and culture change through effective performance management and coaching, to improving project management and employee engagement to fostering strong safety cultures. At the core of strengths-based

leadership lies the constructionist philosophy that all people carry within them the need for and desire to generate positive change in themselves, their organizations, and their communities (Ngomane, 2011, Seligman and Csikszentmihalyi, 2000). Strengths-based leadership, like any leadership approach, is thus founded in relationships between leaders and followers (Carucci, 2006).

What is strengths-based leadership?

To understand what strengths-based leadership is, it is instructive to first examine what it is not by exploring its opposite: deficit-based leadership and the larger deficit-based paradigm. The deficit paradigm fosters a management philosophy that characterizes managers as problem solvers. Numerous job descriptions and job advertisements identify problem-solving abilities as a key job requirement. As a result, managers tend to focus on finding problems and fixing what is wrong or broken, often at the expense of understanding and leveraging what is right and working (Tombaugh, 2005).

As Cooperrider and McQuaid (2012)and Whitney, Trosten-Bloom, and Rader (2010) found, managers grounded in the deficit-based paradigm often perceive employees as problems to be fixed. This leads to performance discussions that focus on employees' weaknesses and failings (Aguinas, Gottfredson, and Joo, 2012). Cooperrider (2008) showed, based on a comprehensive survey, that 80% of managers and employees around the world believe their strengths are not understood, not appreciated, and not valued.When organizational leaders behave within the context of a deficit paradigm, those behaviours affect multiple aspects of organizational culture and practices, such as, (a) managers seen and acting as problem solvers, losing sight of the need to foster innovation and leverage opportunities, and focused on fixing inadequate employee performance rather than developing employees'abilities, (b) managers and employees disliking performance discussions intensely, primarily because of the general focus on negatives, and (c) managers finding and fixing what is wrong in the organization, resulting in improving things merely to the level of status quo, all culminating in the Pygmalion effect of managers and leaders expecting to find broken, underperforming employees and employees living up to those expectations (Fiorentino, 2012).Words and terms often heard in a deficit-based organization include deficiency, deficit, broken, threat, problem, risk, weakness, failure, low performance, and low morale.

The strengths paradigm:

In contrast, the strengths paradigm focuses, as Ngomane (2011) indicated, on capitalizing on the inherent drive of people toward positive change. Leaders in strengths-based organizations focus on creating work environments that inspire, energize, and promote learning and openness to growth and positive change. Emphasis shifts to positive from negative, and a focus on what is working well and leveraging it (Tombaugh, 2005). In a strengths-focused organization, words such as inspiring, building, opportunities, possibilities,

engaging, optimism, thriving, and innovation become more common. Leaders focus on developing for performance over merely managing for performance (Luthans et al., 2013).
Strengths-based leaders focus on combining and amplifying strengths. Positive organizational development, as envisaged byCooperrider and Godwin (2011)features (a) elevating and extending individual and organizational strengths, (b) broadening and building capacity, and (c) establishing the new while eclipsing the old. This builds on the broaden and build model developed by Fredrickson and Losada (2005) in their research into human flourishing. Many authors, working in various fields, have focused on the concept of amplifying strengths. Tombaugh (2005) demonstrated improved learning and task performance when people focused on learning from success over learning from failure. Kriflik and Jones (2002) showed that strengths-based leaders unleash potential in people, facilitating goal achievement and fostering high performance.It is important to note, however, that the strengths-based paradigm does not ignore the existence of weakness and challenges, even though some popular literature seems to indicate such. As Whitney, Trosten-Bloom, and Rader (2010) discussed, the emphasis is on first recognizing and acknowledging weaknesses and challenges and then on reframing them as opportunities for growth and innovation, and by articulating a future in which the weaknesses and challenges ar eliminated or minimized (Cooperrider and McQuaid, 2012).

The impact of strengths-based leadership:

In strengths-based organizations, people focus on leveraging strengths, pursuing opportunities, generating innovation, developing themselves and others, building hope and optimism, moving beyond the status quo to high performance, and enabling, empowering, and engaging employees. This creates a constructive culture featuring behaviours such as setting challenging (albeit realistic) goals and enthusiastic pursuit of those goals, fostering creativity, nurturing quality over quantity, engaging in supportive and constructive interactions with others, focusing on developing self and others, co-operating and collaborating, and empowering leadership. This contrasts directly negative behaviours such as shifting blame, opposing new ideas, avoiding making decisions, and focusing on rank and power inherent in defensive organizational cultures.(Human Synergistics International, 2011).

The cautions of a strengths-based approach.:

Like all effective strategies, strengths-based leadership is neither perfect nor a panacea. For example, Kaiser and Overfield (2011) found a strong correlation between the presence of a strength and its overuse. A manager who is adept at making quick decisions, for example, may not take needed time to analyze situations or seek input from others. In contrast, collaborative decision-making may be a strength for a particular leader, for example, but become a weakness if she tries to collaborate and consult when the situation calls for immediate and decisive action. That is, overuse of strengths may lessen the use of opposing but complementary behaviours. Strengths-based leadership, or leading from strengths,

requires a balanced approach and an understanding when to use one's strengths and when to focus on less strong behaviours.

Incorporating Strengths-Based Leadership into Leadership Development Programs:

Business leaders often talk of strategic imperatives. A strategic imperative of any organization's leadership development program today must be on developing leaders adept at leading (not just managing) change, fostering workforce success, building constructive and empowering cultures, and engaging employees in innovative approaches to meeting client needs. These leaders must be able to lead across boundaries and hierarchies, build effective relationships, and enable others to become high performers with a strong customer focus. As the discussion above shows, deficit-based leadership cannot create the organizational cultures and environments needed, thus requiring leadership programs to build strengths-based leadership capabilities. A leadership development program rooted in positive constructs is more likely to engage participants in their learning and empower them to become the strengths-based leaders needed in their organizations today and in the future.

One place to start when considering how to embed strengths-based leadership into development programs lies in the principles described by Gottlieb, Gottlieb, and Shamian (2012). These are:

- Working with the whole

- Recognizing the uniqueness of each individual

- Creating healthy environments – developing rather than managing employees

- Helping people create meaning

- Valuing self-determination

- Recognizing integration of person and environment

- Promoting learning

Many programs do, indeed, work with the whole while recognizing the uniqueness of each individual, yet there are still programs that take a narrower approach with little opportunity for participants to explore leadership within the context of their own lives and experiences and recognize the integral nature of person and environment. Programs that help participants to create their own meaning about leadership and vision (their own and that of others) and foster self-determination of leadership goals and dreams promote learning about self and leadership. Incorporating ample opportunity for building effective and collaborative partnerships within program assignments provides practice in negotiating goals, sharing power, and building mutual respect. That is, the fundamental design of a leadership development program should reflect strengths-based approaches.

At a programming level, programs could include courses on strengths-based leadership and building awareness of various strengths-based leadership approaches. This should

include a foundation course that fosters exploration of strengths-based leadership's roots in positive psychology, positive organizational psychology, positive organizational behaviour, and positive organizational development. As program participants discover the power inherent in strengths-based approaches, they can learn about its multi-dimensional application possibilities. These range from linking strengths-based leadership to sustainability, corporate social responsibility, organizational citizenship, project management, team leadership, and strategic human resource management.

At a practical level, many programs include exercises in which participants identify strengths, weaknesses, and challenges in a particular leadership area and then create a plan for development, but fail to create the overt link of leveraging strengths to address those challenges. How can leaders leverage strengths in others and reframe challenges as opportunities without understanding how to build on their own strengths? Helping people recognize and understand their strengths constitutes a fundamental aspect of strengths-based leadership. An additional element could be to include self-assessment strengths-based profiles into the program, giving participants the opportunity for deep reflection as well as exposing them to practical tools they can subsequently use in their workplaces.

Further, courses often include assignments in which students assess leadership capabilities in their home organizations or case studies and identify challenges and approaches to addressing them. Many such exercises have an inherent focus on negativity – what is not working and what needs to be fixed. Including an element in which students assess the direct relationship between leadership strengths and organizational success could generate a different mindset, one that focuses on positivity ratios instead of negativity ratios and provide a basis for then assessing strengths-based leadership capabilities in the organizations.

Courses on strategic planning could introduce the strengths-based SOAR framework as a strategic tool to compare and contrast to SWOT. SOAR, founded in appreciative inquiry, stands for Strengths, Opportunities, Aspirations, and Results, enabling participants to look beyond the limited analysis level promoted by SWOT (Strengths, Weaknesses, Opportunities, and Threats)(Cooperrider and Godwin, 2011). This could lead to participants developing strengths-based strategic models for their organizations. Similarly, introducing strengths-based approaches into courses on project management, coaching, organizational design, and change leadership could enable students to compare such approaches with more traditional deficit-based approaches and understand the power inherent in strengths-based leadership.

Conclusion:

The deficit paradigm and deficit-based leadership no longer supports and generates organizational success in a world that demands high performance from all employees. Today's employees are engaged actively in continual improvement, learning, and innovation, and have a constant focus on positive change and, the strengths paradigm and strengths-based leadership provides a solid foundation for such success. Leadership development programs

must, therefore, focus on building strengths-based leadership skills as well as reflect strengths-based approaches and positive change in their design and delivery.

References:

AGUINAS, H., GOTTFREDSON, R. K. & JOO, H. 2012. Delivering effective performance feedback: The strengths-based approach. *Business Horizons.* Bloomington, IN: Indiana University.

AVOLIO, B. J., AVEY, J. B. & QUISENBERRY, D. 2010. Estimating return on leadership development investment. *The Leadership Quarterly,* 21, 633-644.

CARUCCI, R. 2006. Building relationships that enable next-generation leaders. *Leader to Leader,* 2006, 47-53.

COOPERRIDER, D. L. 2008. The 3-circles of the strengths revolution. *AI Practitioner,* 8-11.

COOPERRIDER, D. L. & GODWIN, L. N. 2011. Positive organization development: Innovation-inspired change in an economy and ecology of strengths *In:* CAMERON, K. S. & SPREITZER, G. M. (eds.) *The Oxford handbook of positive organizational psychology.* New York, NY: Oxford University Press.

COOPERRIDER, D. L. & MCQUAID, M. 2012. The Positive Arc of Systemic Strengths: How appreciative inquiry and sustainable designing can bring out the best in human systms. *Journal of Corporate Citizenship,* Summer 2012, 71-102.

FIORENTINO, L. H. 2012. Positive perspectives on the profession: Reframing through appreciative inquiry. *Quest,* 64, 209-228.

FREDRICKSON, B. L. & LOSADA, M. F. 2005. Positive Affect and the Complex Dynamics of Human Flourishing. *American Psychologist,* 60, 678-686.

GOTTLIEB, L., GOTTLIEB, B. & SHAMIAN, J. 2012. Principles of Strengths-Based Nursing Leadership for Strengths-Based Nursing Care: A new paradigm for nursing and healthcare for the 21st. Century. *Nursing Leadership,* 25, 38-50.

HUMAN SYNERGISTICS INTERNATIONAL 2011. Organizational culture report: The City of X. St. Mary's, ON.: Human Synergistics International.

JARUZELSKI, B. & KATZENBACH, J. 2012. Building a Culture That Energizes Innovation. *Financial Executive,* 28, 32-35.

KAISER, R. B. & OVERFIELD, D. V. 2011. Strengths, strengths overused, and lopsided leadership. *Consulting Psychology JournalL Practice and Research,* 63, 89-109.

KATZENBACH, J. R., ILLONA, S. & KRONLEY, C. 2012. Cultural change that sticks. *Harvard Business Review,* 90, 110.

KRIFLIK, G. K. & JONES, R. 2002. A grounded theory of the leadership process in a large government bureaucracy. Available: http://ro.uow.edu.au/commpapers/349 [Accessed 10 May 2013].

LUTHANS, F., YOUSSEF, C. M., SWEETMAN, D. S. & HARMS, P. D. 2013. Meeting the Leadership Challenge of Employee Well-Being Through Relationship PsyCap and Health PsyCap. *Journal of Leadership & Organizational Studies*, 20, 118-139.

NGOMANE, T. 2011. From a deficit-based to an appreciative inquiry approach in extension programs: Constructing a case for a positive shift in the current intervention paradigm. *Journal of International Agricultural and Extension Education*, 17, 57-68.

SCHEIN, E. H. 2010. *Organizational culture and leadership*, San Francisco, Jossey-Bass.

SELIGMAN, M. E. P. & CSIKSZENTMIHALYI, M. 2000. Positive psychology: An introduction. *American Psychologist*, 55, 5-14.

TOMBAUGH, J. R. 2005. Positive leadership yields performance and profitability. Effective organizations develop their strengths. *Development and Learning in Organizations*, 19, 15-17.

WHITNEY, D., TROSTEN-BLOOM, A. & RADER, K. 2010. *Appreciative leadership: focus on what works to drive winning performance and build a thriving organization*, New York, McGraw Hill.

******