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Tel: 91-824-2455340, 4283581 Fax : 91-824-2455340  
E-mail: ajimmangalore@rediffmail.com  
ajimjournal@rediffmail.com  
Web: www.ajimmangalore.ac.in

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## Foreward.....

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The primary purpose of any Institution offering higher education is also the generation of new knowledge and passing on the same to the society. These are possible through research and publications. In this direction, A. J. Institute of Management is successfully performing its academic responsibility through publication of research articles through its institutional journal. A. J. Institute of Management has made laudable work since its inception. With this backdrop, I feel privileged to place before the learned readers Volume 5, No. 2 of our Institutional research journal 'ANVESHANA' ..... Search for Knowledge, containing the under mentioned research article, conceptual papers, empirical reports and book review of the renowned writers.

- “Indian Economy: An Imperative Need for Special Focus on Rural Economy” authored by Prof. Shripathi K.P.
- “A Situational Analysis of Solid Waste Management in Jabalpur Municipal Corporation Under UDAY in Madhya Pradesh”, contributed by Mr. Ajith Kumar Mishra.
- “Financial Inclusion with a Difference – Fisherwomen in Udupi, Karnataka Show the Way for Success” report by Dr. P. Selvaraj.
- “The Gen-Next Banking Services offered by Private Banks – An Empirical Study on Acceptance Level of Customers” jointly authored by Prof. Meenakshi Rao and Dr. T. Jayaprakash Rao.
- “Job Performance and Motivation Among Government Employees in Uttar Pradesh”, contributed by Dr. Budhi Sagar Mishra.
- “Authentic Leadership - An Agenda for Building Vigorous Organisation of the Future”, authored by Dr. Sudhir Raj K.
- A Book Review of “Life of Pi”, by Dr. Rathan Tilak Mohunta.

*J. Jayaprakash Rao*

**Dr. T. Jayaprakash Rao**  
**Editor in Chief**

## Indian Economy: An Imperative Need for Special Focus on Rural Economy

\* Prof. Shripathi K.P

**Abstract:** Performance of Indian economy when compared across different countries, in the recent years has appreciation from all over. Macroeconomic indicators are showing impressive growth in spite of the pressure from global economic slowdown since 2008. And this is believed as the result of new economic policy, and economic reform measures taken since 1991. It is true that Indian economic policy has taken a turn, and the structure of the economy changed from mixed economy to a liberalised private, market economy opening up to the global economy more freely. Internal and external factors have taken the advantages of this and grabbed the opportunities, started to compete and many participants in the economy became strong and gained from it. Sectors and sub sectors of the economy transformed, reformed, expanded and new activities emerged with economies of the scale. However, few traditional sectors of the Indian economy are still finding it difficult to adjust to the new competitive market environment. Specifically, Agriculture and in general rural economy is one such sector which in fact could not grow stronger enough to be in the competitive environment instead weakened because of the declined support from either government or from market. Rural economy finds difficult to cope with the changing market environment is mainly due to the social-cultural features of the large population engaged in the rural economy and the kind of unfavourable urban-rural linkages and partly due to political reasons. Prospective Indian economy should realise the importance of rural economy and 'market failure' components of it needs government support and encouragement in a sustained, non-political manner. Highlighting this, an attempt is made in this paper to organise discussion on importance of rural economy and issues and problems related to it.

**Key Words:** Indian Economy; Rural economy; Agricultural economy; Market failure; Poverty

\* Professor and Chairman, Department of Economics, Mangalore University

## **Introduction**

Recently, Indian economy has been gaining momentum and drawn attention of all other economies by its remarkable performances. While comparing economic performance across different countries for the year 2014-15, one noticeable feature has been the emergence of India among the few large economies with propitious economic outlook. Brighter prospects in India owe mainly to the fact that the economy stands largely relieved of the vulnerabilities associated with an economic slowdown, persistent inflation, elevated fiscal deficit, slackening domestic demand, external account imbalances, and oscillating value of the rupee. Factors like the steep decline in oil prices, plentiful flow of funds from the rest of the world, and stable and potential government at the centre has given a new hope. And the impact of the reform initiatives along with government's commitment to calibrated fiscal management bode well for the growth prospects and the overall macroeconomic situation. Encouraged by the greater macroeconomic stability and the reformist intent and actions of the government, coupled with improved business sentiments in the country, we are hopeful and looking for an optimistic growth outlook for the years to come. However, the possible headwinds to such promising prospects, emanate from factors like inadequate support from the global economy saddled with subdued demand conditions, particularly in Europe and Japan, recent slowdown in China, and internally from the domestic front, from possible spill-over's of below normal agricultural growth and challenges relating to the massive requirements of skill creation (human resource utilisation) and infrastructural up gradation. Moreover, agriculture and rural economic activities from economic perspective as well as state and market intervention perspective does not show any promising progress to its potential and this will have its impact on national economy in the long-run.

Rural development is still an important sector of Indian economy and not for political reason, but for backwardness, large numbers of people engaged in agriculture and the rural poor mass have no

strength to move with the competitive market. They try to cope with the new environment, to invest and improve but fail, fail severely. It is not they fail, but 'market failure', to get them fair price for their produce unlike in the other sectors of the economy. When the price for the agricultural produce rises, the consumers are sympathised, and all forces hurry to take measures to pull down the price. During the price raise even, actors in the market earn more in proportion to the farmers incremental earning. In such a situation how can we expect agriculture to be prosperous? Agriculture and such other rural economic activities are doing better in terms of the macroeconomic figures, but at the micro level, farmer's household level, they are becoming less attractive and this would make the crisis of rural economy more sever in the near future affecting other sectors of the economy also. Therefore, rural economy including agriculture needs a special attention, non-political, scientific approach to eradicate the problems of backwardness and the prosperity of the agriculture and allied activities such as animal enterprises to move strongly in the market economy. This would even help to solve many challenging problems of our economy such as poverty, unemployment, low productivity and assured supply of food grains to the largest growing population and raw materials to the industries to fullest capacity utilisation.

With this background, in this paper an attempt is made to analyse the importance of agriculture and rural economy in Indian economy reaching a new height and for the wellbeing of the rural poor.

## **Objectives**

The main purpose of this paper is to review the performance of Indian economy in the recent years and to organise discussions on various issues related to encouraging agriculture and rural economy. The specific objectives are;

1. To analyse the development experience of the Indian economy in the last two decades and to review its current status and to organise discussions on issues related to its

future development

2. To examine the role of agriculture and rural economy in the prospective of Indian economy and to analyse issues related to agriculture and rural economic development.

### **Methodology**

Reviewing developmental experience of the Indian economy in the last two decades will include reviewing policy approaches and performance of various sectors in the last twenty years, which will also reflect the impact of new economic policy of 1991. Structural changes, GDP growth trends, performance of various sectors and the major problems of its development are analysed. Such an analysis is carried out to identify major issues of development mainly related to agriculture and rural development. Finally, impact of global economic performance/crisis, (external) and internal socio-economic and political environment on its future development is discussed. Analysis of the internal factors is mainly focussed on rural and agricultural economy. To examine the trends and to substantiate the analysis, secondary data is used from relevant source.

### **Experience: Performance of Indian Economy**

Increasing domestic production thereby national income, making use of the available resources was the major task of Indian economy in the beginning of the Five Year Plans. Eradication of the poverty, unemployment and accelerating all the sectors mainly agriculture and industry to grow, emphasizing on rural development was the major strategy in the fifties and sixties of last century.

Poor performance of the Public sector, coupled with foreign trade crisis with increased balance of payment compelled to adopt new economic policy with L.P.G policies in late eighties and beginning of nineties in the last century. Such opened up economic policy brought new challenges to our economy. Diagnosing the new opportunities, linkage with other economies of the world, new role of the government, reforms in financial sector, service sector, industry, keeping special watch on agriculture, education and other social services, nature of competitions have become major issues. By this

time, Information and Communication technology revolution added new spirit to the actors in the economy. Overcoming those initial hurdles, Indian economy started to realise the results of new economic policy in terms of increase in GDP growth rate, employment, foreign trade, and expansion of the internal and external economic activity.

### **GDP growth**

There has been a continuous upward trend in the National Income of the economy since 1950. The growth rate of national income since 1950 till 1980 has been around 4.0 per cent. The growth has been higher in recent years, with over 5.0 per cent in the 1980's and still higher at around 6.0 per cent during the 1990s. The growth rate of per capita income has been around 2.0 per cent over four decades since 1950. It was more than 4.0 per cent during nineties.

In case of agricultural output, the trend growth rate since 1951 has been 2.7 per cent. It is significantly higher than 0.3 per cent growth before independence. There has been rise in the industrial output of 6.0 per cent on an average, during beginning fifty years. Before independence, it was mere 2.07 per cent. Either of these two rates separately is higher than the population growth rate since independence.

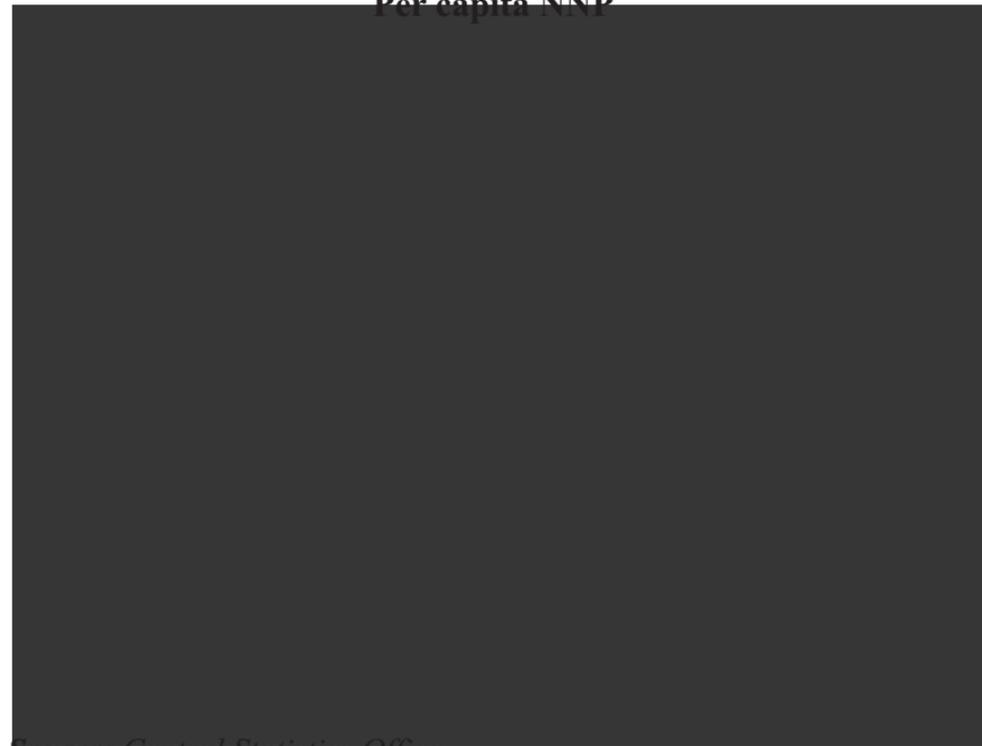
Another noticeable change in Indian economy is that there has been an increase in the productive capacity of the country which is reflected in the rates of investment, economic and social capital and structural changes in the economy. The gross capital formation at present having around 25.0 per cent of GDP is a considerable jump up from that under 10.0 per cent in 1950-51.

India is showing a variety of structural changes in its economy. There is a decline in the share of agriculture from over 55.0 per cent in 1950-51 to about 13.0 per cent at present. As against this, there is a rise in the income originating in the mining and manufacturing and construction sector from over 15.0 per cent to over 28.0 per cent. The contribution of the service sector has also gone up.

India's services sector remains the major driver of economic growth

contributing 72.4 per cent of Gross Domestic Product (GDP) in 2014-15. Services-sectors annual growth rate has increased from 8.0 per cent in 2012-13 to 9.1 per cent in 2013-14 and further to 10.6 per cent in 2014-15.

**Table No.1: Annual Average Growth Rates of GNP, NNP and Per capita NNP**



*Source: Central Statistics Office*

Indian economy witnessed a remarkable increase in Gross Domestic Savings (GDS) which was Rs. 989 crores in 1951, increased to Rs.1,34,408 crores in 1990-91. In this, the major share was from household sector (Rs.1,08,603 crores). Gross Domestic Savings in 2013-14 was Rs.3475935 crores (of which Rs.2065179 from Household sector and Rs 1231624 from Private corporate sector). In 1950-51, the GDS was 9.5 per cent of GDP at current market prices increased to 21.3 per cent in 1991 and further 30.6 per cent in 2013-14. The Gross Capital Formation, which was 10.9 per cent of GDP at current market prices increased to 22.5 per cent in 1991 and further to 32.5 per cent in 2013-14.

**Table No. 2: Annual Growth Rates of Real Gross Value Added at Factor Cost by Industry of Origin (Per cent)**

*Source: Central Statistics Office.*

## **Employment**

Employment has always featured as an element of development policy in India. The priority and attention it has received in development plans have, however, varied from time to time and so have the approaches and strategies as well as policies and programmes for employment generation. When India embarked on a strategy of industrialisation-based development in 1950's, employment was not perceived to be a major issue. Growth of economy as envisaged in the consecutive Five Year Plans was expected to generate enough employment, particularly in industry.

Growth of employment emerged as an important concern in development planning around the middle of 1970s, when it was realised that economic and demographic performance of the economy had fallen short of earlier expectations and as a result unemployment had been on an increase. The problem was sought to be tackled through a two-pronged strategy: on the one hand, efforts were initiated to make development more employment oriented, by encouraging growth of employment intensive sectors and including employment among the objectives of macroeconomic and sectoral policies, and, on the other, special employment programmes, for

creating both short-term wage employment and self-employment were introduced.

Public sector was no longer seen as an employment provider; it has, in fact, experienced a continuous decline in employment since mid-1990s. Higher growth of the economy induced by liberalisation was expected to lead to a faster expansion of employment. Growth rate accelerated but employment growth saw a deceleration. And most new jobs were located in the informal sector with low earnings and no social protection. Start of the new millennium, however, seemed to have brought in a turnaround, suggesting an end of the period of 'jobless' growth and beginning of the positive result of liberalization in terms of a high employment growth.

The Cumulative Annual Growth rate (CAGR) of employment during 2004-05 to 2011-12 declined to 0.5 per cent from 2.8 per cent during 1999-2000 to 2004-05 as against CAGRs of 2.9 per cent and 0.4 per cent in the labour force respectively for the same two periods. During 1999-2000 to 2004-05, employment on usual status (US) basis increased by 59.9 million persons from 398.0 million to 457.9 million as against the increase in labour force by 62.0 million persons from 407.0 million to 469.0 million. After a period of slow progress during 2004-05 to 2009-10, employment generation picked up during 2009-10 to 2011-12, adding 13.9 million persons to the workforce, but not keeping pace with the increase in labour force (14.9 million persons). A major impediment to the pace of quality employment generation in India is the small share of manufacturing in total employment. However, data from the sixty-eighth National Sample Survey (NSS) round indicates a revival in employment growth in manufacturing from 11 per cent in 2009-10 to 12.6 per cent in 2011-12.

India is projected to be the youngest nation in the world by 2020. While this provides great opportunities, it also poses challenges before the nation. India's total fertility rate (TFR) has been steadily declining and is currently at 2.3 although state-wide disparities exist.

## **Human Development**

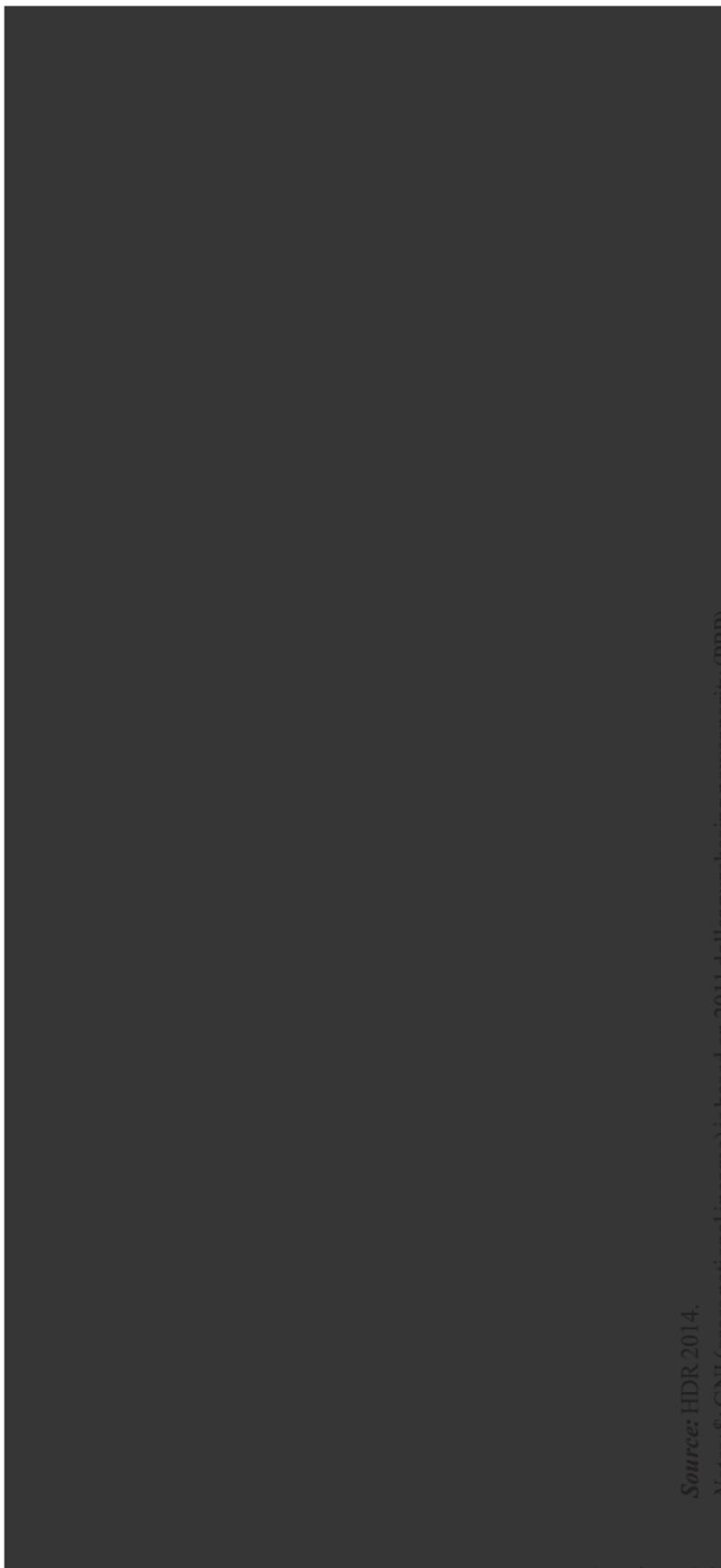
The 2014 Human Development Report (HDR) presents the Human Development Index (HDI) values and ranks for 187 countries in terms of three basic parameters: to live a long and healthy life, to be educated and knowledgeable, and to enjoy a decent standard of living. India's HDI value for 2013 is 0.586, positioning the country at 135 out of 187 countries and territories, the lowest among the BRICS countries, with Russia at 57, Brazil at 79, China at 91, and South Africa at 118, and slightly ahead of Bangladesh and Pakistan. Significantly, while China improved its ranking by ten places between 2008 and 2013, India's position improved by just one rank. Thus, a lot remains to be done to bridge the gap.

India's HDI is also below the average of countries in both the medium human development group (0.614) and in South Asia (0.588). Between 1980 and 2013, India's life expectancy at birth (LEB) increased by 11.0 years, mean years of schooling increased by 2.5 years, and expected years of schooling increased by 5.3 years while gross national income (GNI) per capita increased by about 306.2 per cent. As compared to BRICS nations and some neighbouring countries, India reports the least mean years of schooling and an LEB that is just above that of South Africa. Bangladesh, with less GNI per capita than India, has a much higher LEB and mean years of schooling. China, which recorded a slightly higher HDI than India in 1980, has widened the margin in 2013. The existing gap in health and education indicators between India and developed countries and also many developing countries highlights the need for much faster and wider spread of basic health and education, as reflected by China and Sri Lanka.

## **Regional and sectoral Disparity**

The Indian economic growth is experiencing a regional variation. This is clear from the fact that different states show different rate of growth of Net State Domestic Product (NSDP). The NSDP percentage change over previous year are quite varying across the states in the last 10 years and also they show a declining trend parallel with that of all India NDP trend. For example, the growth of NSDP in

**Table No. 3: Trends and India's Position in Global HDI 2013**



*Source:* HDR 2014.

*Notes:* S-GNI (gross national income) is based on 2011 dollar purchasing power parity (PPP).

GII is Gender Inequality Index. LEB is life expectancy at birth : Data refers to 2012 or the most recent year available.

terms of percentage change over previous year was 17.6 per cent in Karnataka (2005-06) declined in 8.0 per cent in 2009-10, rising again to 22.5 per cent in 2010-2011, further varying between 10 to 13.7 per cent in next consecutive three years. The same is different in case of Pondicherry, where it was 41.8 per cent in 2005-06 declined to 4.1 percent in the next year and again increased to 33.7 per cent in 2013-14.

The per capita NSDP is also varying across States. During 2013-14, it was lowest in Bihar (Rs.31229) and highest in Delhi (Rs.219979), which is much above the all India per capita NNI (Rs.74380). More than 10 states out of 32 had less per capita NSDP than national level per capita NNI.

Efficiency, performances and contribution of different sectors and sub-sectors of the economy also show variations.

### **Rural Economy**

Rural economy in Indian context, assumes importance because more than 60 per cent of the population live in rural area, unemployment and poverty is still sever, illiteracy and skill level of the labour force is low, and agriculture is the main occupation having many complex problems.

As per the 2011 Census, the net addition to total population (between 2001-2011) is less than that of the previous decade by 0.86 million and is for the first time showing this declining trend after independence. As per Sample Registration System (SRS) (2013) data the proportion of economically active population (15-59 years) or, India's 'demographic dividend', has increased from 53.4 to 56.3 per cent during 1971 to 1981 and from 57.7 to 63.3 per cent during 1991 to 2013. The growth rate of the labour force will continue to be higher than that of the population until 2021.

While only 73 per cent literacy has been achieved as per Census 2011, and illiteracy will be a major social factor impeding human resource development.

A cause for concern is the deceleration in the compound annual growth rate (CAGR) of employment during 2004-05 to 2011-12 to 0.5 per cent from 2.8 per cent during 1999-2000 to 2004-05 as against

CAGRs of 2.9 per cent and 0.4 per cent respectively in the labour force for the same periods. As per the National Sample Survey Office (NSSO) data during 1999-2000 to 2004-05, employment on usual status (US) basis increased by 59.9 million persons from 398.0 million to 457.9 million as against the increase in labour force by 62.0 million persons from 407.0 million to 469.0 million. After a period of slow progress during 2004-05 to 2009-10, employment generation picked up during 2009-10 to 2011-12, adding 13.9 million persons to the workforce, but not keeping pace with the increase in labour force (14.9 million persons). Based on current daily status (CDS), CAGR in employment was 1.2 per cent and 2.6 per cent against 2.8 per cent and 0.8 per cent in the labour force respectively for the same periods.

There have also been structural changes: for the first time, the share of the primary sector in total employment has dipped below the halfway mark (declined from 58.5 per cent in 2004-05 to 48.9 per cent in 2011-12), while employment in the secondary and tertiary sectors increased to 24.3 per cent and 26.8 per cent respectively in 2011-12 from 18.1 per cent and 23.4 per cent respectively in 2004-05. Self-employment continues to dominate, with a 52.2 per cent share in total employment. What is critical is the significant share of workers engaged in low-income generating activities.

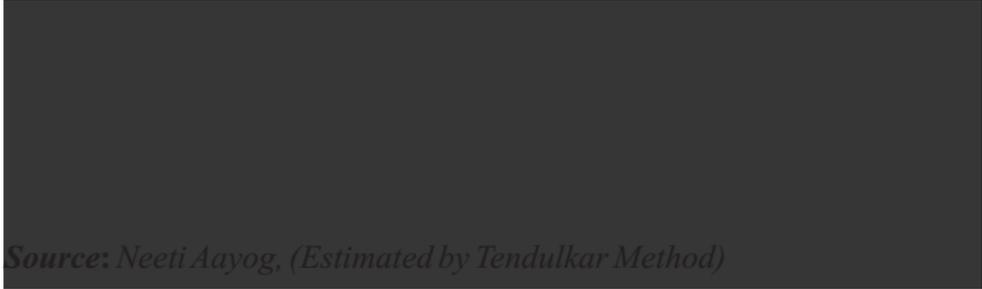
There are issues of concern like poor employment growth in rural areas, particularly among females. Though employment of rural males is slightly better than that of females, long-term trends indicate a low and stagnant growth. Such trends call for diversification of livelihood in rural areas from agriculture to non-agriculture activities. In order to improve generation of productive employment under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), the Intensive and Participatory Planning Exercise (IPPE) has been initiated to prepare the labour

## **Poverty**

Poverty is a situation of low standard of living, deprived of basic needs of life – food, cloth, shelter. In spite of the efforts made to eradicate poverty during five year Plans, still in India about 40 per cent of the population are below poverty line. The latest estimates of

poverty are available for the year 2011-12. These estimates have been made following Tendulkar Committee methodology using household consumption expenditure survey data collected by the NSSO in its sixty-eighth round (2011-12). Over a span of seven years the incidence of poverty declined from 37.2 per cent to 21.9 per cent in 2011-12 for the country as a whole, with a sharper decline in the number of rural poor (Table No 4).

**Table No. 4: Number and percentage of poor**



*Source: Neeti Aayog, (Estimated by Tendulkar Method)*

Urban poverty ratio in India has slightly increased in the recent years, which is also partly because of neglect of rural economy. This trend is of more concern to the policy makers.

### **Agriculture**

Agriculture is important sector in Indian economy owing to the fact that it employs large number of unskilled labour force; supply food grains to largest population, supplies raw materials to the industrial sector, and is the major foreign exchange earner to India. Its share to the total GDP of our country was more than 50 percent, is however is now declining.

During the Tenth Five Year Plan, the contribution of agriculture and allied sectors to the GDP (at 2004-05 prices) of the country was 19 per cent and it declined to 15.2 per cent during the Eleventh Five Year Plan. This is in accordance with the typical past pattern of structural transformation of the economies in transition. Agriculture and allied sectors registered a growth of 2.5 per cent in the Ninth Five Year Plan, 2.4 per cent in Tenth Five Year Plan, and 4.1 per cent in the Eleventh Five Year Plan.

Total food grain production has been estimated for the year 2013-14 was 265.6 million tonnes, which is higher by 8.5 million tonnes than

the previous year's production and 22.1 million tonnes than the average production of food grains during the last five years. As per the second AE of the Ministry of Agriculture, total production of food grains during 2014-15 is estimated at 257.1 million tonnes.

Indian agriculture has the proud that it ranks top total production of many crops - vegetable and fruits second in the world, mango first in the world, many plantations – coffee, tea, areca, rubber, coca nut tops within 5 ranks in the world. However, when it comes to yield in all these crops we are pushed back to 30-40 ranks, indicating poor resource use efficiency in agriculture. Green revolution and other efforts made have given some result in this regard and the changes in the yield per hectare of the major crops are given in Table No. 5.

**Table No. 5: Yield per hectare of major crops**



**Source:** Directorate of Economics & Statistics, Department of Agriculture & Cooperation.

Food Grains and Cereals have shown an impressive growth in the yield where as in the case of Pulses lot to be achieved.

For the growing population assured nutritional supply becomes crucial and in last 40 years in fact it is declining. Per capita availability of cereals and pulses are declining, trend of which is shown Table No 6.

## Table No. 6: Per Capita Net Availability of Cereals and Pulses

*Source: Directorate of Economics & Statistics, Ministry of Agriculture*

## Table No. 7: Agriculture Sector: Key Indicators (per cent at current prices)



*Source: Central Statistical Office*

If the trend continues, the shortage of food would become a costly affair to our economy. Therefore, agriculture development policies should keep in mind that total food production should increase to supply sufficient nutritional requirement to its high population. Key indicators of agricultural sector are shown in Table No. 7.

The share of agricultural and allied sector in total Gross Value Added (GVA) and Gross Capital Formation (GCF) is slightly declining in the last three years.

Rural economy is supported by live stock enterprise which even compliments agricultural development. India is top in the list in total milk production in the world. But, yield of milk again very less. South Indian coastal zone has another important activity fishery, which gives employment to large number of people, nutritional supply, and even foreign trade earning. India produced about 9579 thousand tonnes of fish in 2013-14, which increased almost three times from 1991. The production of milk, eggs and fish is depicted in table-8. Animal enterprises are important allied activities of agriculture as they complement each other. Further, they are the major sources of nutrition values and hence, economically more significant.

**Table No. 8: Production of Major Livestock Products and Fish**

*Source: Department of Animal Husbandry, Dairying & Fisheries P: Provisional*

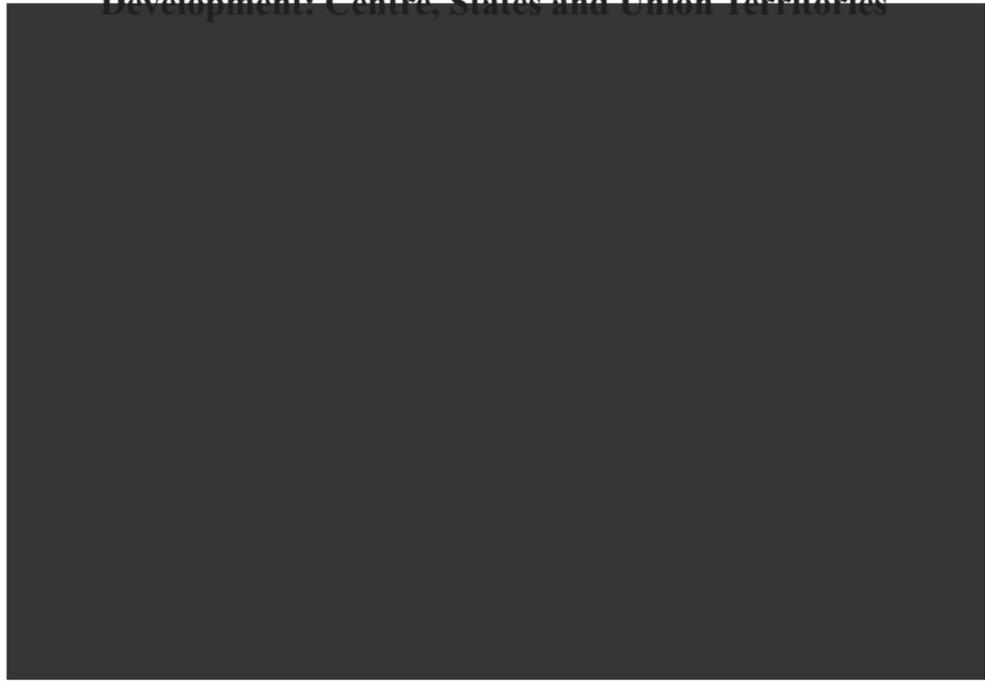
**Government Intervention**

Mismanagement of resources and corruption are two acute and well-documented problems facing the delivery of public services in

developing countries. Many studies have attributed this to an important incentive problem within the centralised bureaucracies that have traditionally been entrusted with delivery: namely, the limited ability of governments to monitor local cost, needs or delivery levels, and the resulting lack of accountability of bureaucrats.

However, with regard to rural and agricultural economy there is a need of government support and encouragement, but not of the kind to make rural poor to depend on government always. Programmes to empower rural economic participants are more desirable. Providing better markets for their products and conducive environment to produce products by efficiently using resources would make rural economy better functioning.

**Table No. 9: Eleventh Plan (2007-2012) Outlay by Heads of Development: Centre, States and Union Territories**



**Source:** *Economic Survey Report 2015*

The total expenditure of the central government has increased from 3751 crores of rupees during first five year plan, increased to Rs.4973825 crores in the eleventh five year plan. The share of the total outlay for agriculture and allied activities and rural development is only 12.5 per cent, which is clear from the Table No. 9.

Of the government expenditure, share on agriculture and rural development has declined when compared to the earlier Five Year Plans.

### **Major Issues**

Rural economy in general and agriculture in specific, no doubt is an important sector of the national economy. Development of these sectors was priority in the initial Five year Plans. In the reform era either state or the market intervention is not favourable or encouraging for the development of these sectors. There is a need to organise through discussion and research to design an appropriate model for rural economic development in the changed context. This needs to be looked from the changing socio-cultural perspective, and more from micro-perspective. Macro perspective of agriculture and rural economy in terms of statistical figure shows some impressive development. But in reality, at the grass root level, or household level the conditions are pathetic and show no sign that they would cope with the transformation taking because of the new economic policy and contribute to the national development to its fullest potential. Therefore, research needs to diagnose the nature of state and market intervention, capacity utilisation, and modernisation of the agriculture to improve the yield rate. Further, in the ongoing slogan of make in India, should search scope for rural economic activity so that rural products are made to reach out even to the global market, which would be an inclusive approach for the rural development. Rural-urban migration is the result of urban biased development leading to problems both in rural and urban areas. Instead, a more scientific linkage between rural and urban economy need to be established in which both will gain, and results of development are fairly distributed between rural and urban area.

The following are some of the challenges of agricultural sector in India:

- Agriculture and food sectors need huge investment in research, education, extension, irrigation, fertilizers, and laboratories to test soil, water, and commodities, and warehousing and cold storage. Rationalization of subsidies

and better targeting of subsidies would generate part of the resources for public investment.

- There are wide differences in yields of major crops across states. Even the best of states have much lower yield in different crops when compared to the best in the world. This provides ample opportunity to increase production by bridging the yield gap to the extent feasible within the climatic zone.
- Providing irrigation can improve yield substantially, as vast cropped area is still unirrigated. For a shift in production function, investment in basic research would be necessary.
- Recommendations of the *Shanta Kumar Committee* provide useful suggestions for the future road-map of food policy. Every effort should be made to bring states on board for creating a national common market for agricultural commodities.
- Distortions emerging from various policies, including exempting user charges for electricity and water should be removed.
- For providing efficient advance price discovery to farmers and enabling them to hedge price risk, the Forward Markets Commission should be strengthened and empowered to regulate the market more effectively.

## Conclusion

Rural India real India cannot ignore rural economy and it should not be just recognised only for political reasons rather they have economic role to play. Eradication of backwardness and improving the standard of living of rural people is equally important in the national economic development. Economising the rural economic activities would not only establish a strong link between rural and urban, but also balance the national economy and make it stronger and self sufficiency. But, this is in the hands of both government and market to see that rural economic activities are gaining economic strength. How, a best model of state intervention, market

intervention and social participation can be evolved? For this, there is need to investigate, research and organise intellectual discourses, which would help to devise an appropriate model of rural economic development. Time has come to review the efforts made for rural development in the last 68 years, which would diagnose the right and the wrong of the rural development strategy.

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# **A Situational Analysis of Solid Waste Management in Jabalpur Municipal Corporation Under UDAY in Madhya Pradesh**

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**\* Ajit Kumar Mishra**

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## ***Abstract***

*Madhya Pradesh is one of the largest states in India - Second largest in area and sixth in terms of population. The state faces unprecedented urban challenges. Solid Waste management is one among them. Several packages were awarded in this the field of solid waste management in Jabalpur with the support of ADB. Huge sums of funds have been invested under different scheme on solid waste management. The present study in about solid waste management in Jabalpur city. The study in order that the waste management in become the satisfactory level.*

***Keywords:*** *Solid Waste, Infrastructure, Economic development*

## **Introduction**

Madhya Pradesh is the second largest state by area and sixth largest state by population. Its capital is Bhopal and Indore is the largest city. It borders the states of Uttar Pradesh, Chhattisgarh, Maharashtra, Gujarat and Rajasthan. Madhya Pradesh in Hindi can be translated to Central Province, and it is located in the geographic heart of India. The state straddles the Narmada River, which runs east and west between the Vindhya and Satpura ranges; these ranges and the Narmada are the traditional boundaries between the north and south of India. The state is bordered on the west by Gujarat, on the northwest by Rajasthan, on the northeast by Uttar Pradesh, on the east by Chhattisgarh, and on the south by Maharashtra. The Madhya Pradesh is a State in Central India and known as "Heart of India" due to its geographical location in the country. The state is considered as second largest state in the country due to its area. With over 72.6 million inhabitants, it is the sixth largest state in India by population. It boards the states of Uttar Pradesh to the northeast, Chhattisgarh

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*\* Assistant Director, RCUES, Lucknow*

to the southeast, Maharashtra to the south, Gujarat to the west and Rajasthan to the North West, Geographically, the state covers 32 Urban Agglomerations Constituents with a population above 100,000 (Census 2011) including the capital city Bhopal. The total urban population is currently 20 Million (Total 20,059, 666: Male 10,470,511: female 9,589,155) as per census 2011 or 27.6 percent of total population (Male 27.8 percent: female 27.4 percent). The urban area recorded a population growth from 13,29,445 in 1901 to 20,059,666 in 2011 which is much higher than that observed in the rural areas (11,349,769 in 1901 to 52,537,899 in 2011).

The urban Madhya Pradesh has 378 Urban Local Bodies(ULBs) comprising 16 Municipal Corporations, 98 Municipal Councils and 264 Nagar Parishads. On the basis of the size of urban population in the country, Madhya Pradesh ranks 8th and accounts for 5.58 per cent of the total urban population. It poses 20.1 million (27.7 percent) urban populations and following the national trajectory of urbanization closely. However, it faces unprecedented urban challenges and water supply is the most pressing one. The Table given below, briefly summaries water supply condition in urban local bodies of MP.

The Table also provides demographic distribution of urban population in various categories of urban local bodies of the Madhya Pradesh.

**Table No. 01 : Urban Population of URBAN Local Bodies of The Madhya Pradesh.**

*Source: Compiled*

## **Snapshot of Economic and Infrastructural improvement in Madhya Pradesh**

**Economy of Madhya Pradesh** was considered as one of the most "Sick" economies of India till 2003, after 2005 it registered consistent growth rate and it reached "INDIA'S TOP MOST STATE" in terms of GDP growth, with 10.2 percent GDP for annual year 2011-12. Madhya Pradesh has received award from Hon'ble President of India - *Shri Pranab Mukharjee*, in January 2013 for its Tourism, Medical and Infrastructural growth. At present, after Gujarat, Madhya Pradesh is the second preferred state for corporate world to get their industries set up.

### **a) Economic Growth (India Brand Equity Foundation 2013):**

- At current price level, the Gross State Domestic Product of Madhya Pradesh for 2011-12 is recorded at US\$ 65.7 billion
- The annual Gross State Domestic Product of MP is recoded at 14.7 percent between 2004-05 and 2011 -12.
- The average NSDP growth rate is recorded at 14.9 percent between 2004-05 and 2011-12.
- The State's per capita GSDP in 2011-12 was US\$ 902.6 as compared to US \$ 388.1 in 2004-05
- Per capita GSDP has increased at a Compound Annual Growth Rate of 12.8 percent between 2005-05 and 2011-12.
- The State's per capita NSDP in 2011-12 was US\$ 806.6 as compared to US\$ 343.5 in 2004-05.
- The per capita NSDP increased at an average rate of 12.9 percent between 2004-05 and 2011-12

### **b) Drinking water and Sanitation:**

In MP, 1943424 households (total urban households 3845232) are getting tap water from treated source, 447698 from untreated source, 49371 from covered well, 160643 from uncovered well, 562072 from hand pump, 588975 from tube well, 2211 from spring, 5087 from river/canal, 28576 from tank /pond/lake and 56675 from other sources in urban area (Vikas Samvad (2013)).

In urban area, 2854081 households (out of total households in urban area 3845232) are having toilet facility within premises. Out of the total, 2750877 households are have flush latrine connected to piped sewer system (775253 households), septic tank (1927886 households), and other system (47,738 households) while 63842 have pit latrine with ventilated improved pit (47068 households) and without slab/open pit (16774 households).

### c) Poverty

As per Tendulkar methodology 48.6 percent (Rural 53.6 percent Urban 35.1 percent) of the total stand population below poverty line in 2004-05 which is reduced to 36.7 percent (Rural 42 percent; Urban 22.9 percent) in 2009-10

### d) Health Infrastructure and services:

The State has 50 district hospitals, 332 Community Health centres, 1156 Primary health centres, 8761 Sub centres, 28 Ayurvedic hospitals, 2 Unani Hospitals, 20 homeopathic hospitals, Improvement in Birth Rate 26.9 (Rural 28.8 Urban 20.1), Death Rate 8.2 (Rural 8.7 Urban 6.1) infant mortality rate 59 (Rural 63 Urban 39) is recorded as compared to 2005 - Birth Rate 30.2 (Rural 32.1 Urban 22.5), Death Rate 9.8 (Rural 10.4 Urban 7.1) and Infant Mortality Rate 82 (Rural 86; Urban 55) (SRS -April 2005 and October 2012)

**Jabalpur** is one of the cities that benefitted under UWSEIP with the support of ADB during 2005 - 2013. It is the third largest urban agglomeration in Madhya Pradesh and 40th largest urban agglomeration in India as per the 2011 census



statistics. Its old name was thought to be Jabalipuram but, in actuality, it was Jubbulgarh. It was later changed to Jubbulpore during British Governance and is now simplified as Jabalpur. Historically, a center of the Kalchuri and Gond dynasties, Jabalpur developed a syncretic culture influenced by the intermittent reigns of the Mughal and Maratha. In the early nineteenth century, it was gradually annexed in British India as Jubbulpore and incorporated as a major cantonment

town. After the Independence of India, there have been demands for a separate state of Mahakoshal with Jabalpur as its capital.

Jabalpur is known for its picturesque marble rock formations (Bhedaghat) on the banks of the river Narmada. Because it is the army headquarters of five states (Madhya Pradesh, Chhattisgarh, Odisha, Bihar and Jharkhand), one sixth of the city is occupied by the Ministry of Defence. Several important federal and state institutions are located in Jabalpur, including four Universities (RDU, JNAU, GMU and NDVU), the premier technology institute and the oldest in central India, the JEC and the IIIT.

It is bordered by Katni to the north, Umaria to the north-east, Dindori to the east, Mandla to the south-east, Seoni to the south, Narsimhapur to the south-west and Damoh to the north-west. Jabalpur is the administrative headquarters of both the Jabalpur district (the second most populous district of Madhya Pradesh) and the Jabalpur division. Jabalpur has total population 2,460,714 of which 1,438,777 (58.46 percent of total population) population reside in urban area. It has third highest rank in terms of size of urban population (1,438,777), followed by Indore (2,424,132) and Bhopal (1,914,339). Average literacy rate of Jabalpur city is recorded at 88.90 percent of which male and female literacy was 92.65 and 84.88 percent. The sex ratio is recorded 929 per 1000 males in the city which is highest as compared to the figures at Jabalpur district (908) and Madhya Pradesh (919) as per the Economics and Statistics Directorate of Madhya Pradesh (2012).

### **Accomplishments under UWSEIP in Jabalpur:**

Following packages were awarded in the field of solid waste management with the support of ADB to improve infrastructure and services of Municipal Corporation in the city:

#### **Solid Waste Management**

1. Development of Sanitary Landfill Sites at Kathonda in Jabalpur- **JBP/SWM/04**
2. Development of New Landfill Site at Kathonda Jabalpur- **JBP/SWM/07**

3. Procurement of equipment for solid waste management-supply and delivery Bulldozer- **JBP/SWM/06-Lot-01**
4. Procurement of equipment for solid waste management-supply and delivery Backhoe Loader- **JBP/SWM/06-Lot-02**
5. Procurement of equipment for solid waste management-supply and delivery of medium size chain mounted hydraulic excavator- **JBP/SWM/06-Lot-03**
6. Procurement of equipment for solid waste management-supply and delivery of no. 2 Dumper tipper - **JBP/SWM/06-Lot-04**

**Magnitude of Investment:**

As on November 2013, the total investment made (loan 2046 and 2456) being ₹ 135703.15 lakh to establish infrastructure and municipal services in four cities of the State. The investments were made in five components of the project i.e Urban Water Supply, Sewerage and Sanitation, Storm Water Drainage, Solid waste management and Community Development (AIF/CIF). Besides, management cost was incurred for better planning and management of the project. The details of the investments made under different components for four cities of MP are as follows:

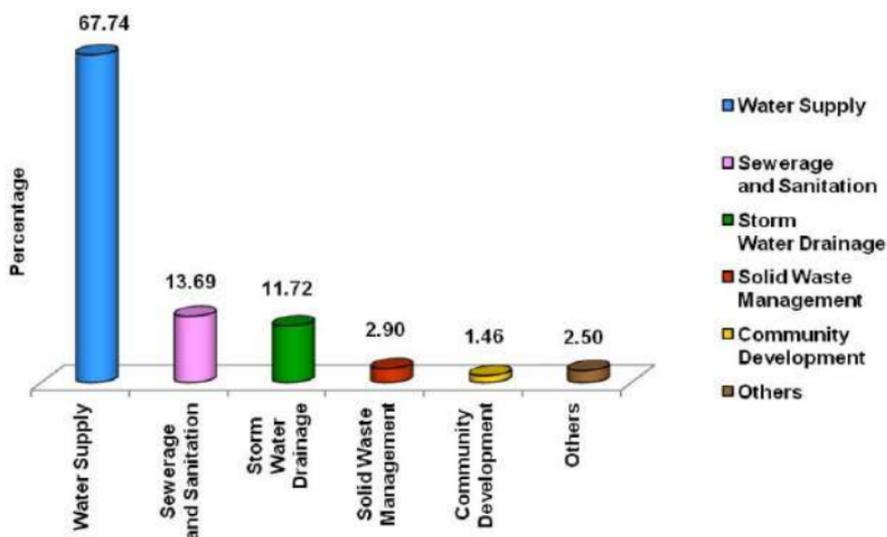
**Table No. 2 : Investments Details in UWSEIP**

In Jabalpur, ₹ 26926.43 was committed to achieve objectives of the project. The maximum amount was invested in the city to improve water supply system {18240.76 (67.74 percent)}, followed by sewerage and sanitation {3686.17 (13.69 percent)}, solid waste management {782.15(2.90 percent)}, storm water drainage {3152.23 (11.71 percent)}, community development {394.10 (1.50 percent)} and other expenses {671.02 (2.49 percent)}.

**Table No. 3 : Investments Details in Jabalpur Municipal Corporation under UWSEIP**

Source: PAM, Project, UDAY, Bhopal

**Graph 1 : Component wise Investment (%)**



## **Objectives:**

The objectives, of the prevent study, are:

1. To identify the changes in the quantity and quality of the delivery of services.
2. To identify the changes in environmental conditions which may have occurred
3. To assess the impact of these changes ; and
4. To assess the public perception of these changes.

## **Methodology:**

A field survey has been conducted with the help structured interview schedules for beneficiaries, concerned officials and non officials. The following methodology was used to conduct evaluation of the data.

**Sample Size:** The evaluation was expected to cover 2 percent of the total households of the city as respondents.

## **Sampling technique:**

Sampling is concerned with the selection of a sub set of individuals within a statistical population to estimate characteristics of the total population. Households were selected by using Simple Random Sampling Technique. Simple Random Sampling Technique is considered as highly representative and minimizes bias in the selection of respondents. A list of households residing in the ward was collected from the ward office and accordingly units were selected to be interviewed by using structured schedule.

## **Evaluation Tools:**

Keeping in view the objectives of the study, evaluation tools consisting of both structured schedule and checklists were designed to be used to collect data from each stakeholder of the Municipal Corporation secondary data also gathered from different Government and Non-Government publications.

## **Solid Waste Management - An analysis**

Solid waste has been defined as unwanted solid materials generated from combined residential, industrial, and commercial activities in

the city. It may be categorized according to its origin, contents or hazard potential. Management of solid waste reduces adverse impact on the environment and human health and further contributes in improving quality of life of people ultimately leading the development of the economy.

Solid waste management is an obligatory function of the Municipal Corporation. In Jabalpur, the primary sources of solid waste are households, commercial establishments, hotels, restaurants and hospitals. The JMC (Jabalpur Municipal Corporation) is responsible for collection, transportation and disposal of all solid waste generated in the city except the untreated bio-medical waste and hazardous industrial waste, the disposal of which is the responsibility of respective generators. Presently, city is generating 450T per day solid waste from various localities. In order to manage waste, the JMC has a provision of waste collection points at different locations. The waste has been collected from waste collection points and transported through a team of its own conservancy functionaries with the support of equipment.

In 2005, city was generating 380T/day of solid waste, of which only 50 to 60 percent waste was lifted for disposal at Ranital dumping ground and Lema Garden due to limited resources. The capacity of the designated sites (Ranital and Lema) were already full at the beginning of the project. Therefore, a new site was decided to be developed at Kathonda which is located in the outskirts of the city. To begin with, equipment like waste collection containers, dumper placer vehicles, chain mounted hydraulic excavator, and loader backhoe, mechanical road sweeper etc. were procured. Subsequently, waste collection system was improved and a landfill site is now constructed for disposal and treatment. The Table No – 4 shows the achievement of the solid waste management under the project.

### **Table No. 4: Status of Existing Infrastructure at Different Stages of the Project Period**

*Source: Final evaluation conducted by BMEC, 2013*

Packages implemented under the Solid Waste Management component are mainly divided into two categories: a) procurement of equipment; and b) civil works including development of landfill site/landfill cells. Equipment were procured centrally by the PMU and have been supplied to the Jabalpur Municipal Corporation. Trained people were hired on contract basis by the JMC to use newly received equipment. Thus received equipment have been fully utilized. According to Mr. Nema (Incharge of handling equipment from Health Department of MC) "availability of equipment has improved our quality of the work and efficiency as well. Earlier waste collection and disposal were being managed with the support of laborers manually (locally available equipment), which was time consuming. Alongside, it was difficult to complete work on time with certain level of quality". The repair and maintenance of the equipment are time consuming due to non-availability of service

centres in the city. In the case of non-functionality of equipment, mechanics have to be called from the Nagpur for its repair and maintenance and they take more than a month, particularly in case of non-availability of a particular spare part of the machine.

The construction of sanitary landfill site has been completed but not as envisaged under the project. At present, site has been used for dumping the waste. It has already reached up to its maximum capacity due to inadequate operational system. There is a need to make it fully operational by establishing



Solid Waste Collection Vehicle

systems like availability of weighbridge, developing road network on working front, compacting of waste, wheel cleaning facility etc. There was a challenge faced in the land acquisition and the rehabilitation of eight illegal dwellers during project implementation. In brief, land was approved by the department to develop as a landfill site and eight families were shifted to a village Rimjha located at a distance of about 2 to 2.5 kms from the original site. As this was a special case of rehabilitation and resettlement under the project, the BMEC team discussed with some of the families to understand the rehabilitation need and the benefits to the households at the implementation stage of the project (MTR 2009). The beneficiaries, stated that they were benefitted with the legal entitlement as land holder, and gained monetary compensation as per ADB norms, provision of basic amenities (like water supply, electricity, roads, etc), skill development, control over haphazard disposal of solid waste at any location and scientific disposal of household waste.

**Solid waste collection system:** The process of waste collection and management varies from locality to locality. In general, five types of garbage disposal systems are reported by the Households. These systems are: door to door collection, use of municipal dustbins, waste lying in open place/informal collection points, dumping of solid door

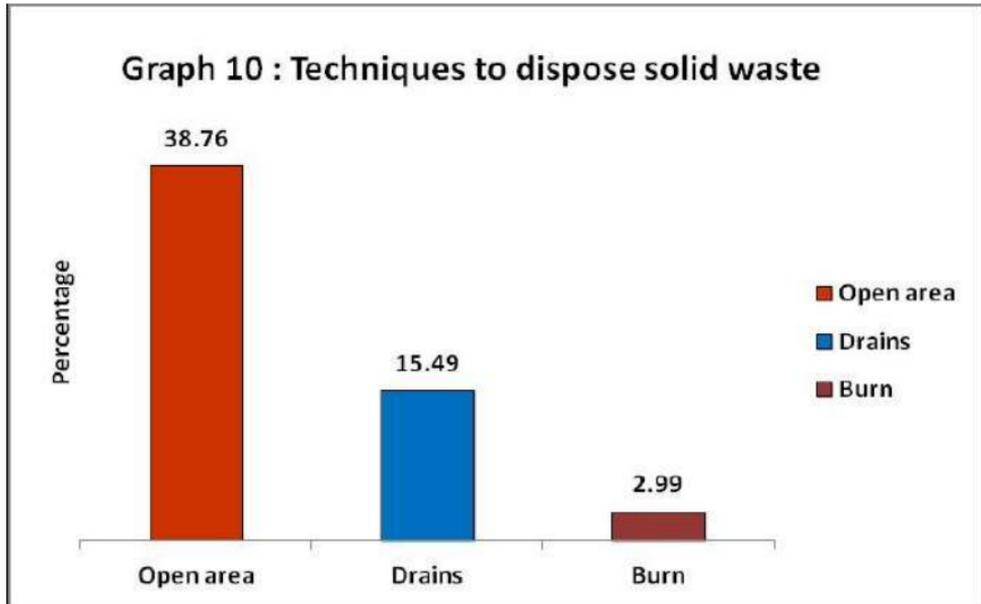
waste directly into the open drains and burning of solid waste. Door to door collection and use of common dustbins supplied by the municipal corporation are safe and good methods to be practised from the point of view of safe environment and prevention from diseases. Survey data indicate that 36 percent Households have the facility to door collection of solid waste and 15 percent Households use common dustbins to dispose solid waste. Comparison with baseline data reveals that door to door collection of waste has improved from 6 percent to 36 percent during the project period. Around 50 percent Households use different techniques to dispose their waste. Like 38.76 percent Households dispose their waste in open area, 15.49 percent throw in drains and remaining 2.99 percent burn waste. These data clearly indicates that improper practices are continued for solid waste disposal in the city which needs attention.



**Door to Door collection  
of waste, Billahri**

### **Table No. 5 : Solid Waste Management System**

**Source:** Final evaluation conducted by BMEC, 2013



### **Sustenance of the solid waste management:**

With regard to payment for door to door collection of solid waste, only 11.96 percent Households (of 1095 Households) reported that they are spending on an average Rs. 22 per month on door to door collection of waste. At the same time, 18.98 percent Households reported that they are willing to pay around Rs. 28 per month for better services of waste collection.

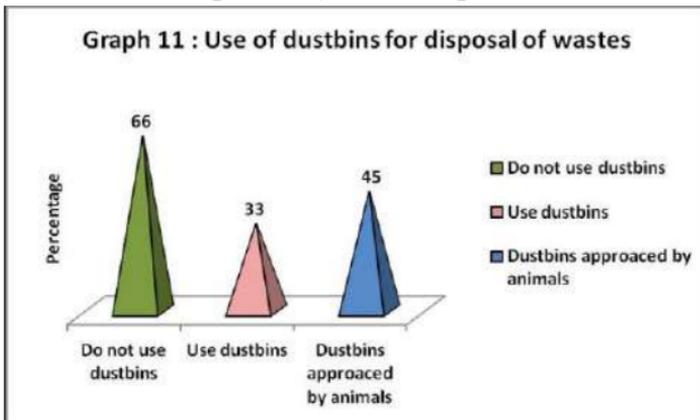
**Table No. 6 : Pay For Door To Door Collection of Waste**

The content of Table No. 6 is obscured by a large black redaction box.

**Source:** Final evaluation conducted by BMEC, 2013

## Types of garbage and segregation system

Awareness regarding importance of segregation of bio-degradable and non-bio-degradable waste at home is important to save time and energy to segregate waste at later stage for recycling and reuse. The findings of the survey indicate that about 59 percent Households are aware of the segregation system and 40.64 percent Households still lack knowledge in this regard. Even though awareness among people has improved during the project period with regard to segregation system (baseline 39.85percent) still adequate attention is required.



In practice, only 10 percent Households segregate their waste although they are aware of the segregation system. This needs to be improved.

**Table No.7: Households Level Awareness about Segregation of Waste**

*Source: Final evaluation conducted by BMEC, 2013*

## Distance of dust bin and its usage system

Proper waste collection system requires uniform distribution of dustbins at the localities. It is important to have accessibility of dustbins to a minimum distance for its optimum utilisation. In this connection, 15 percent Households of those who have the facility of dustbins, 9.71 percent reported about the availability of dustbins at a distance of 51 meters from their houses and they are using the same while others are either not aware or not using the existing facility.

**Table No. 8 : Distance of Collection Bins**

*Source: Final evaluation conducted by BMEC, 2013*

**Table No. 9 : Participation in consultations to decide place for keeping bins**

*Source: Final evaluation conducted by BMEC, 2013*

## Frequency of clearance

When enquired about the frequency of garbage collection by municipal staff from their localities, only 32 percent Households reported about daily collection of waste while others report other options such as alternate days (3.52 percent), once in a week (46.63 percent), twice in a week (12.07 percent), and thrice in a week (5.20 percent).

Data indicates the improvement in daily collection of waste (baseline 8.3 percent and end line 32 percent). But still there is scope for improvement.

## Table No. 10 : Frequency of Waste Disposal

**Source:** Final evaluation conducted by BMEC, 2013

With regard to use of dustbin by the Households for disposal of waste, around 66 percent Households reported that they do not use dustbins while only 33 percent reported use of dustbins. Nearly 33 percent Households find that their dustbins are approachable by the animals which is dangerous for animals and environment. However, there is a need to aware people to use dustbins to avoid any harm to the animals. In order to avoid unhygienic conditions around the waste bins it is important to have such type of bins which are away from animal reach.

## Table No. 11 : Use of Bins

**Source:** Final evaluation conducted by BMEC, 2013

### Level of satisfaction:

The survey indicates that the Household respondents are not satisfied with the present level of municipal services, regarding the solid waste management. Their percentage is nearly 70 percent as much the present level of municipal services regarding the solid waste management system. As mentioned earlier, this requires capacity enhancement of municipal services so that environmental quality in the residential localities improves.

**Table No .12 : Level of Satisfaction**

*Source: Final evaluation conducted by BMEC, 2013*

**Table No. 13: Level of Satisfaction from Waste Collection and Disposal System**

*Source: Final evaluation conducted by BMEC, 2013*

**Public opinion about improvement of the system due to UWSEIP:**

Only 22 percent Households perceived that solid waste management system has improved in the city due to implementation of UWSEIP.

**Table No. 14 : Improvement in Solid Waste Management System due to Implementation of Project UDAYY**

*Source: Final evaluation conducted by BMEC, 2013*

## **Conclusion and Recommendations**

Even though the status of solid waste management system has improved from the baseline on various parameters such as door to door collection of garbage (baseline 6 percent; end line 36 percent), reduction in disposal of waste in open area (baseline 76 percent; end line 37 percent), segregation system of biodegradable waste and non biodegradable waste (baseline 39.85 percent; end line 59.13 percent), daily collection of waste (baseline 8.3 percent; end line 32.58 percent) but it still needs improvement to a great extent. The reasons of improvement may be seen due to the availability of equipment supplied under the project. As mentioned by the Health Officer (officer responsible for handling and management of the equipment) that working efficiency of the municipal staff has improved due to availability of modern equipment as previously this work was being managed with the help of labourers manually. Officer also felt the need to procure adequate number of equipments to increase the coverage, faster collection of waste from different parts of the city and proper management of solid waste in future. It is important to make the community aware of their responsibility of handling the waste at the primary level due to lack of knowledge about waste segregation system and its practice. This calls for need based design and implementation of awareness programmes in the entire city by using various techniques such as campaigns, publication in the news papers/magazines, use of local media including TV, radio, and audio-visual shows, display of posters, organizing exhibitions, etc. In this respect, health officer has a plan to conduct a pilot for door to door collection of waste in two wards i.e. Dayanand Saraswati Ward and Subhadra Kumari Chouhan. Plan also includes the awareness campaign to sensitize people and improve their knowledge about segregation of waste in two separate bins and its disposal mechanism. Besides, community consultations need to be increased so that the garbage is properly managed by the people. In nutshell, there is a need to make the city livable by making waste collection and disposal system more efficient. This calls for improvement in the methods of garbage collection and disposal with sufficient number of equipment.

A number of measures have been suggested to make the solid waste management more efficient:

(a) Procurement of more number of equipments which should be supported by the availability of trained personnel to use the available equipments along with the facility of service centre in case of its becoming nonfunctional.

(b) Regular monitoring of solid waste collection and its disposal status in all parts of the city including market places by using different techniques like observation through physical presence in wards, interaction with community members, conducting review meeting with the staff responsible for its management and tracking use of equipment.

© Organize awareness programme to improve community knowledge about existing system of solid waste collection and its disposal along with its benefits. In view of low level of knowledge and practice at Households about segregation of waste and available facility, it is important to make the Households realize the need for segregation of wastes.

(d) Encouragement of CBOs/NGOs to play an active role in inculcating civic sense in the minds of the Households. These agencies can also act as a vigilance group in identifying and reporting the cases of non-clearance of the solid waste.

(e) Nominal charges for regular waste collection from the common bins of residential areas should be encouraged except from slums. In case of commercial consumers like hotels, wholesale markets, hospitals appropriate fees may be considered after a consultation with them.

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## **Financial Inclusion with a Difference - Fisherwomen in Udupi, Karnataka show the way for Success.**

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**\* Dr P Selvaraj**

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### ***Abstract***

*Fisheries which is an allied activity to agriculture is an important sector in the country as it provides cheap protein, valuable foreign exchange and employment to huge population. The sector is divided into three sub sections like Inland (fresh water), brackish water and marine. The flow of Bank credit to these sectors is nor do commensurate with the potential or meet actual requirements of the community. When compare to all other sections of our society the fisher folk is highly underdeveloped and still in the clutches of money lenders. On the contrary the fisherwomen of Udupi district of Karnataka have proved that they are credit worthy and Bankable. They have developed a successful banking model, like a light house in the sea shore. This paper details the process, secrets of success which can be replicable to fisherwomen of as well as by their agriculture counterpart in other States and even countries.*

**Keywords :** *Financial inclusive, Fisheries, Fisher Women, Fish Marketing.*

### **Introduction**

Fisheries is one of the crucial sectors of our Nation's economy, which contributes to food, health, economy, exports, employment and tourism. With a total fish production of 6.40 million MT, (3 MT from marine and 3.40 MT from Inland sources) the country ranks third in the world. Fish and fishery products have presently emerged as the largest group in agricultural exports, with 5.2 lakh tonnes in quantity and Rs.7,200 crores in value. This accounts for around 3 percent of the total exports of the country and nearly 20 percent of the agricultural exports. But, compared to any other section of our

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*\* Deputy General Manager/ Faculty Member, Bankers Institute of Rural Development (BIRD) Mangalore. Views expressed in this article is the author's own and do not necessarily reflect the views of BIRD or NABARD.*

population, the socio-economic conditions of the fisher folk is pitiable and over decades, backwardness has been the hall mark of this community. Due to mounting over dues in marine fisheries sector, most of the Banks feel fisheries loans as “fishy loans”. But the fisherwomen in Udupi district of Karnataka have proved otherwise, exhibiting their credit worthiness with 100 percent repayment of loans availed from Corporation Bank.

### **Fisherwomen**

According to the CMFRI census (2010), there were 3,288 marine fishing villages and 1,511 marine fish landing centres in 9 maritime states and 2 union territories in our country. The total marine fisher folk population was about 4 million comprising in 864,550 families. Nearly 61 percent of the fishermen families were under BPL category.

The overall sex ratio was 928 females per 1000 males. While fishermen take active part in fishing, the fisherwomen play crucial role in the marketing. They participate in the public auction for purchase of fish, paying ready cash and carry to either local or outside markets for marketing. It is found that 81.80 percent of those engaged in fish marketing and 88.10 percent of those in curing and processing fish are women. We could see that in villages the fish marketing is taken up mostly by fisherwomen.

### **Udupi District of Karnatka**

Udupi district occupies an important place in the fisheries map of Karnataka. It has 98 km of coastline with 63 fishing villages and 10 fish landing centres. There are 25,726 families who are engaged on a full-time basis in fishing, while 4,791 families are engaged on a part-time basis. Further it has good network of marine fisheries infrastructure like 10 landing centres, 82 ice-plants (capacity of 1495 MT), 13 cold storages (cap.1650 MT) and 108 fish markets. There are about 5000 mechanised and 1500 non mechanized boats operating in this district. 43 fishermen cooperative societies are functioning. The Malpe is one of the 10 minor port in the State and is a natural harbour, where about 3000 fishing boats land their catch.

## **New Scheme for fisherwomen**

The fisherwomen, involved in fish marketing were not having adequate financial resources to buy quality fish in required quantity. For meeting financial requirements, they were fully dependent on the local money lenders, who not only charge huge interest but also pressurize the fisher folk for distress sale of fish. They availed loan from money lenders at very high rate of interest (2 to 3 percent per day) and they could only service interest, due to low margin. These fisherwomen were excluded from formal credit institutions. Among many reasons, mounting overdue in fisheries sector, lack of interest by both Banks and the community, convenience for fisherwomen to approach money lenders were the major reasons for their exclusion. In contrary to this, the interest subvention scheme of Government of Karnataka started in 2009, by which, interest charged over and above 3 percent p.a. for loans up to Rs 50,000 availed by individuals for fisheries activities, be reimbursed to the commercial and Regional Rural Banks for prompt repaying borrowers, was not picking up to the expected level.

South Kanara & Udupi District Co-operative Fish Marketing Federation Ltd., which was formed in 1954 mainly to help fisher folk for providing financial, technical and community-level assistance, is functioning in the district implementing various welfare measures for fisher folk, in addition to extending financial assistance. The federation has the govt. of Karnataka as 'A' Class Member, 63 Primary Fishermen Co-op Societies covering about 50,000 fishermen as 'B' Class Members and about 12,200 individual fishermen as 'C' members. Fishermen cooperative societies, apart from implementing welfare measures like insurance, savings cum relief fund, housing etc, also extend loans for fisheries activities at 15percent and jewel loans at 13 percent to their members. The huge demand for loans could not be met by the societies, due to inadequate financial resources.

It is in this backdrop that Corporation Bank in association with the Fish Marketing Federation formulated a scheme in Nov. 2011 to promote fisherwomen JLGs, who are involved in fish marketing and

value addition. As a result the fisherwomen were financially included and that too with a concessional rate of interest at 3 percent per year.

### **Joint Liability Groups**

Innovative credit delivery mechanisms such as SHG Bank Linkage Programme have proved to be successful in providing financial services to poorer sections of the society by the formal financial institutions. However, coverage of certain sections of rural community like tenant farmers, oral lessees, small and marginal farmers etc has not been up to the desired level. The results of the Pilot project taken up by NABARD during 2004-05 in 8 states of the country involving 13 RRBs, launching of Rythu Mithra Groups(RMGs) through Agriculture Department in Andhra Pradesh and subsequent linking them with the banks have adequately demonstrated that the JLG approach can be successfully replicated in all the areas also. Based on the experience gained NABARD formulated a scheme for financing under JLG mode and the same was approved by RBI for adoption by all the banks.

A Joint Liability Group (JLG) is an informal group comprising of 4-10 individuals coming together for the purpose of availing bank credit on individual basis or through group mechanism against mutual guarantee. Generally, the members of a JLG would engage in a similar type of economic activity in the Agriculture/Allied Sector/Non-farm sector. The members would offer a joint undertaking to the bank that enables them to avail loans. JLG members are expected to provide support to each other in carrying out occupational and social activities. The following are the conditions with regard to membership

- Members should belong to similar socio-economic status, background and environment carrying out similar economic activities and willing to function as a Joint Liability Group.
- Members should have mutual trust and respect.
- Members should be residing in the same area and should know and trust each other well to take up joint group loans or individual loans.

- Members should not have defaulted to any financial institution in the past.
- More than one person from the same family should not be included in the same JLG.
- All members should be active and should be ready to take up leadership on rotation basis.

Though savings is not compulsory, yet savings among JLG members can be encouraged. However quantum of loan to the groups should not be related to the savings of the groups, but should be related to the credit needs of the members based on the activities. There are 2 models for financing of JLGs. (i) financing individually the members ie., based on the credit requirement and activities proposed banks are financing JLG members individually. All the members would jointly execute loan documents, making each and every one jointly and severally responsible for the repayment of the total loans taken by all individuals of the same group. Each member of the group should know their liability towards the loan taken by other members of the group. (ii) Financing the JLG as a unit ie., based on the combined credit requirement of the members of the JLG for the activities proposed banks may finance the group as a single borrowing unit. All the members would jointly execute loan document, making each and every one jointly and severally responsible for the repayment of the loan taken by the group. Each member should know the debt liability of the group. Banks extend credit after credit appraisal and all other norms of financing like rate of interest, margin, security, coverage of crop insurance, personal accident insurance (PAIS) etc are followed by the bank as per the regular norms. Loans provided to JLGs (both for farm sector and non-farm sector purposes) may be treated as Priority Sector advances.

### **Successful JLGs by Fisherwomen**

The following are the salient observations on their JLGs promoted by fisherwomen in Udupi district.

- ✓ All the JLGs are formed with fisher women as members, in the age group of 25 to 55. Women above the age of 60 were not

considered for membership. The number of members per JLG ranged from 7 to 10. Many of them were formed from the erstwhile SHGs.

- ✓ Many of the JLGs were formed from the SHGs formed by Fishermen cooperative Societies (ie., under model II of NABARD wherein JLGs are formed from the existing SHGs.)
- ✓ Every JLG has a name and has opened SB account with nearby Corporation Bank branch.
- ✓ Though there are illiterates, most of them are educated and the level varies from 6<sup>th</sup> Std to degree. All could understand the accounting procedures as well.
- ✓ The men folk of their families are working as helpers in fishing boats and fishing companies on wage employment. A few of them own small traditional boats also.
- ✓ Most of the members purchase fish from auction, in Malpe fishing harbor and transport the purchased fish to nearby villages or even to Mangalore (75 km) for selling. The busy season is from Sept to May while the lean season is between June and Aug.
- ✓ In addition to fish marketing, few members are engaged in net repair, small business, dressing fish for export, drying fish etc., to supplement their income.
- ✓ They have regular monthly meetings generally on the day when the fishing harbor is closed ie., every first day of the month, so that no body loses income due to meeting. Usually, the meetings are conducted in a common place (park, Bhajana mandir, Playground) or one of the houses, which could accommodate all members.
- ✓ They maintain saving register, loan register and meeting register.
- ✓ Though not compulsory, the members have saved @ Rs 50 to Rs 100 per month and the same is utilized for internal lending at 12 percent to 20 percent to their members. Few JLGs have used this fund to repay bank loan installments also in case of exigencies.

- ✓ All most all the members undertake fish marketing, either fresh fish or dry fish.

The JLG formed by the Fishermen cooperative Federation /Society apply loan for the entire group, in the prescribed format and provide the following documents.

- Photo and Address proof to comply with KYC norms
- Group photo
- Inter se agreement executed by all members
- Group guarantee agreement ( in Rs 200 stamp paper)
- Copy of Tripartite agreement between sponsorer, Bank and JLG
- Copy of Membership ID card & Bonafide certificate from society
- Common deed of hypothecation of stock

On receipt of loan application, the Bank manager prepares due diligence report for all beneficiaries individually. Grading of JLG was done based on quality parameters and the JLGs were sanctioned a loan of Rs 50,000 per head. Then, branch manager issued sanction letter indicating loan amount, monthly installment, due date etc. Bank charged 0.5 percent of loan amount as one time processing fee. No collateral security was obtained by the Bank. A maximum loan of up to Rs 5.00 lakh per JLG was sanctioned with a repayment period of 35 months and EMI based installments. The rate of interest charged by bank was floating rate, which varied between 12.25 to 12.50 percent during the last 3 years. Before, disbursements of the loan, these JLGs were counseled by bank officials and sent SMS to the mobile numbers of president and secretary of JLGs, reminding the due date and amount in advance. Interest rate charged to JLGs over and above 3. percent.( ie., 9.25 percent) is subvented by the State Government and claims are settled at half-yearly intervals. Interest is debited to the JLGs account on a monthly basis and later adjusted upon receipt of interest subvention from the State Government. Hence the effective rate for loan is only 3 percent per annum. The progress of implementation of the scheme is closely

monitored by bank in their quarterly review meetings of the branch managers by the Zonal Manager, besides visits of senior officers to the branches at regular intervals.

### **Bank loan**

The Corporation Bank zonal office Udupi covers 3 districts namely Shimoga (15 branches), Chickamagalur (15 branches) and Udupi. There are 41 branches in Udupi district, of which, 21 are coastal branches, where the scheme was implemented. The following table shows the progress of implementation of scheme.

**Table No. 1 : Progress of JLGs and Loan disbursement to FLGs**

*Source : Corporation Bank Zonal office Udupi*

As can be observed from the table above, the Bank has extended credit to the tune of Rs 146.68 crore for 3025 JLGs with no NPA during Nov 2011 to 31 March 2014. The scheme has been implemented successfully by Corporation Bank in Udupi district with 100 percent recovery. The Vaderahubli branch received the NABARD's award for credit linking highest number of JLGs, among all Public Sector Banks in the State during 2012-2013. The Corporation Bank received the award from NABARD for credit linking highest number of JLGs during 2011-2012 in the State. In order to encourage group mode of financing, especially JLGs, NABARD sanctioned Rs 19.00 lakh as promotional grant assistance to Corporation Bank for formation and credit linkage of 950 JLGs @ Rs 2000 per JLG.

### **Fisherwomen show the success route**

The fisherwomen utilize the loan ( Rs 50,000 per head) received from the Bank for fish trading activities, fishing activities undertaken by the family (husbands) and some amount towards consumption

purpose. Major portion is utilized for purchase fish baskets, insulated ice box and other tools like knife, weighing balance, small table etc. They pay advance to fish vendors, fee for using fish market hall etc. On an average they procure 60 Kgs (40 kg first grade and 20 Kg second grade) fishes and they are transported to other places by tempo van. They also sell/ supply fish to hotels/ restaurants regularly on credit. At the end of the day they earn about Rs 300 to 400 as net income. JLG movement has changes the life style of many fisherwomen.

“You educated people may say anything, but for me JLG is the key for my progress” says Kalyani, a member of Mahalakshmi JLG. “The whole family is now engaged in fish marketing and contribute to family development and my children could continue education only because of JLG” says Smt Damayanthi another woman from Sangavi JLG, Malpe. Appreciating the involvement of Corporation Bank, Shri. Laxmana Swarna, President of Kodi Fishermen cooperative Society says “JLG of fisherwomen is a successful bank model, which has reduced the dependency on money lenders.” Smt. Nirmala, a member of JLG says, “With my 32 years' experience I can say, JLG loans are the best bank product for poor fisherwomen and we have gained self-respect both from family and the public”

### **Win- win situation**

The following table shows the benefits to various stake holders of the scheme

<b>Beneficiary- Fisherwomen</b>	<b>Bank – Corporation Bank</b>
<ul style="list-style-type: none"> <li>• Access to affordable credit from formal credit institutions</li> <li>• Gained Social status &amp; gainfully employed</li> <li>• Reduced dependency on money lenders</li> <li>• Opened SB accounts to family members also</li> </ul>	<ul style="list-style-type: none"> <li>• Increased loan portfolio that too under Priority Sector</li> <li>• Increased visibility/ publicity</li> <li>• Contributed in their social responsibility</li> <li>• Increase in CASA deposit</li> <li>• Small deposits from members/relatives</li> </ul>

<ul style="list-style-type: none"> <li>● Enrolled membership in Fishermen cooperative societies.</li> <li>● Collective bargaining power for purchase of fish from auction</li> <li>● Enrolled membership in Fishermen cooperative societies.</li> <li>● Collective bargaining power for purchase of fish from auction</li> <li>● Received the incentives from Govt for prompt repayment in the form of interest subvention</li> <li>● Family members also get involved and get benefit</li> <li>● Significant savings</li> <li>● Few members could preserve fish for 2 days for getting better prize realization</li> </ul>	<ul style="list-style-type: none"> <li>● Deposit from Marketing Federation/ Society</li> <li>● Financial inclusion with more SB accounts</li> <li>● Improved good client profile with no NPA</li> <li>● No monitoring follow up visits for JLG loans</li> <li>● Deposit from Marketing</li> <li>● Recognition by NABARD through State Awards</li> <li>● Regular credit flow</li> <li>● Increased float</li> </ul>
<p style="text-align: center;"><b>Federation/ Society</b></p> <ul style="list-style-type: none"> <li>● Increased visibility and status</li> <li>● Increased membership</li> <li>● Collection of one time membership fee (earlier Rs 280 now Rs 300 per head)</li> <li>● Promote inland fish marketing</li> </ul>	<p style="text-align: center;"><b>Public at large</b></p> <ul style="list-style-type: none"> <li>● Availability of quality fish due to use of ice, at affordable price</li> <li>● Improved fish marketing with more outlets</li> <li>● Sectoral development</li> <li>● Fisherwomen are being organized</li> </ul>

JLG movement has changed the life style of many fisherwomen. When enquired about the post JLG developments, the JLG members in Malpe responded in the following way.

- Could enter the banks confidently
- Sent their children to schools and even to colleges in nearby town
- Built / repaired the house
- Constructed toilets in the house
- Managed hospital expenses for family
- Gained social status
- Assisted the men folk in repair of nets & small boats, and purchased few fishing inputs like ice box, crates, Freezer hiring, bulk purchase of fish for drying, and as a result they started listening to the views of the members in the decision making process in the house.
- Received interest subvention from State Government for the prompt repayment of loan
- In case of need, one member could assist the other member for timely repayment of loan.
- Whole family is involved in fish trading. While the men folk who were earlier coolies and unemployed started selling fish in the interior villages, using cycle and two wheelers, their children helped in effectively grading the fish based on quality.
- Before JLG, the fisherwomen used to buy lesser quantity of fish that too second and third grade fishes (like Sardine, Ribbon fish, Anchovies, carangids, crabs, mussels) for marketing which gave very less margin. Now, they concentrated on increased quantity of first grade fishes (like prawn, Seer, Pomfret, Perches, and lobsters) which gave them better margin.

Many of the women beneficiaries have also started transactions in their individual SB accounts, which is the positive sign of improvement in living standards and entering mainstream of banking activity.

## **Conclusion**

The innovative approach adopted by Corporation Bank through JLG mode of financing by effectively involving various partners like Fishermen cooperative Federation, FLC, NABARD, State Government and the needy fisherwomen has achieved remarkable success. The photographs taken in the scheme area are given in Annexure. As can be inferred, financing fisherwomen through JLG mode has been evolved s a successful business model for financing with 100 percent recovery.

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# The Gen-Next Services Offered by Private Banks - An Empirical Study on Acceptance Level of Customers

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\* Prof. Meenakshi Rao

\*\* Dr. T. Jayaprakash Rao

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## **Abstract**

*The Indian banking sector through years has transformed from Traditional Banking to New-Age banking. Technological revolution in the form of innovation and exnovation - along with a prudential banking norms and reforms - have changed the whole gamut of Indian banking sector particularly since liberalization; Heavy dependence on information technology and intensified competition influenced all the aspects of banking activity. With plethora of products being offered by banks, product knowledge as well as skill sets required to use technology enabled products and services need to be improved amongst the banking staff and the customers. But there exists a gap between the expectation and the reach of the technology enabled products and services.*

*Further, the demographic transition in India is expected to throw up new challenges for the Gen-Next banking. Banks have to understand the changing needs of customers, their aspirations and expectations to create values for their sustenance. Thus, in the light of the present banking scenario, the paper makes an attempt to explore the awareness and acceptance level of retail customers, about the technology enabled products and services offered by the private sector banks to its retail customers. It also highlights the nexus between the preferred mode of banking and usage rate of technology enabled services. The other key variables like ease of use, convenience, accessibility, risk, technical failure, fraud, and internet connectivity are analysed to understand the benefits conferred as well as the hindrances in adoption.*

**Keywords:** Banking Technology, New Age Banking Facilities, Customer Acceptance.

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\* Assistant Professor, A. J. Institute of Management, Kottara chowki, Ashok Nagar post, Mangalore

\*\* Director, A. J. Institute of Management, Kottara chowki, Ashok Nagar post, Mangalore

## **Introduction**

The banking industry in India has boomed in a big way. The liberalization of the economy has created a competitive culture that has taken the service industry particularly the banking industry to greater heights. Any change in this sector through New Age technology adoption has an impact on customer service. As the banking Industry is the high involvement industry, banks are aware of the fact that the provision of high quality service to customers is necessary for their survival and success, in today's global and competitive environment (Wang, Han & Wen, 2003).

The leading edge of banking technology permitted instant connectivity with customers and has been instrumental in creating brand loyalty. For example: ATM revolutionised cash withdrawal, debit and credit cards replaced cash transactions and changed the way of payments for goods and services, advent of 24X7 Phone Banking etc. have taken the service level to new heights in banking. Mobile and Internet Banking have altered day to day banking system. The world today is moving online to communicate. The trends show that the Indians are spending a large amount of time on social media. Micro blogging sites, Twitter, face book etc. have become important new-age marketing tools to reach out, connect and engage the customers to elicit their insights on banking preferences.

Since liberalization, the technological revolution with a prudential banking norms and reforms have changed the entire Indian banking sector to excellent standards. These changes have paved a way to new dimensions of growth in the banking sector. Heavy dependence on information technology and intensified competition have influenced all aspects of banking activity and entangled the way in which banking operates. A retail banking customer requires a smooth flow in banking operation.

Furthermore, banks have to understand the changing needs of customers, their aspirations and expectations to create value for their sustenance. In this value creation process, Banks offer a plethora of products along with product knowledge as well as skill sets to use technology based products by customers (Ameena & Amudha, 2014).

## **Review of Literature**

In 1980s and 1990s the trend of developing and expanding IT throughout the world, especially in a developed country on the one hand and commercial relationships between countries and nations on the other, have prompted banks to undertake widespread and extensive activities on line applying computer systems in their banks. (Sadeghi, 2010). Thus, the consumers' knowledge and awareness have expanded regarding automated and online banking operations due to gradually expanding access to the Internet and its use (Sadeghi, 2004). This study provides the basic concepts related New Age banking facilities and proves that modern banking services on useful for banks in term of customer satisfaction. Banking system has been improved due to the adaptation of various banking technologies. The Electronic Banking, an important element of modern banking, was introduced in the mid of 1990.

Modern banking facilities like ATMs, E-Banking are the causes for customer motivation and satisfaction due to quick response, security, reliability and speedy transactions of modern banking services (Premalatha & Sundaram, 2012). ATM, online and mobile banking are the modes of modern banking and these are helpful to maintain the customer loyalty. Some studies stated that the improvement in the banking services is the only cause of user's satisfaction (Khan, 2010). As we know, the service industry has totally changed due to the innovative technologies and only those organisations who adapt these innovative changes in their services cause the customer satisfaction. The main reason behind this being the innovation in technology enhancing the customer expectations. So customers are demanding according to their expectation. Due to these reasons banks also have improved their services to meet the customer's expectations (Aliabadi, et al., 2012).

ATM was the first innovation in the modern banking services. Through modern techniques banks are able to serve the customers after the banking hours. So, the main reason behind these developments in the services is to maintain the customer loyalty. User can use these services without any hesitations anywhere at any

time (Sultan Singh, 2009). Mobile banking is the using of mobile devices to deliver communication, financial information, and customer's banking transactions such as checking of account balances, transferring funds at any time, from anywhere (Ensor et al., 2012; ITU, 2012). Mobile banking has high potential to deliver the reliable services to the customers living in those remote areas where the facility of internet is limited (Cruz et al., 2010).

With development of electronic trade in banking and financial sectors, customers are also attracted to use electronic banking (Yiu et al., 2007). Thus, removing the necessity for physical presence in bank branches, increased accuracy in receipts and payments, acceleration in economic transactions and increased safety are a few among many big and small advantages E-Banking has brought about (Kamel & Hassan, 2007). Electronic banking is to integrate all activities of a bank optimally, employing new IT which makes it possible to provide all services required by customers (Blount et al., 2008). Creating the infrastructure of electronic banking, employing integrated and extensive software and hardware systems seems to be first activity for handling electronic banking services in each environment (Safarzadeh, 2009).

Banks have been bringing innovations based on customer retention, customer encouragement, customer acceptance (acceptability), security and easy use of various types of products and services (Chang, 2007). Customers, now demand new levels of convenience and usefulness in addition to powerful and easy to use financial management tools, products and services that traditional retail banking cannot offer. Internet banking has allowed banks and financial institutions to provide these services by exploiting a comprehensive public network infrastructure (Yiu et al., 2007).

Therefore, in the light of the above discussions presented, the present study is conducted to know the acceptability of new age banking technologies and examining the factors influencing customer tendency towards such technologies.

## **Facets of New-Age Banking: Base for Conceptual Framework**

Information technology is one of the most important facilitators for the transformation of the Indian banking industry in terms of its transactions processing as well as various other internal systems and processes. The process of **computerisation** marked the beginning of all technological initiatives in the banking industry to automate the functioning of high traffic branches. Though total Branch automation was in use, it did not involve bank level branch networking, and did not imply much to the customer.

Networking of branches under **Core Banking Solutions (CBS)** enabled the customers to operate their accounts from any bank branch, regardless of which branch he/she opened the account with. CBS helped in bringing the complete operations of banks under a single technological platform.

**Satellite Banking** is also an upcoming technological innovation in the Indian banking industry, which is expected to help in solving the problem of weak terrestrial communication links in many parts of the country. The use of satellites for establishing connectivity between branches will help banks to reach rural and hilly areas in a better way and offer better facilities, particularly in relation to electronic funds transfers.

**Automatic Teller Machines** serve as a self service retail banking with over 2,00,000 ATMs nationally, offering services free of cost demonstrates the efficacy of the Indian banking platform as a dispenser of money. Innovation in ATM technology have come a long way and customer receptiveness has also increased manifold. Public sector banks have also now entered the race for expansion of ATM networks. Development of ATM networks has not only leveraged for lowering the transaction costs, but also proved to be an effective marketing channel resource.

Evolution of **biometric technology** has made the use of self-service channels like ATMs, viable with respect to the illiterate population. Though expensive to install, the scope of biometrics is expanding rapidly. It provides for better security system, by linking credentials verification to recognition of the face, fingerprints, eyes or voice.

Some large banks of the country have taken their first step towards large scale introduction of biometric ATMs, especially for rural banking.

Installation of **multilingual ATMs** has also entered pilot implementation stage in many large banks of the country. This technological innovation aimed at the rural banking business is also believed to have large untapped potential. The language diversity of India and the lack of knowledge of English have proved to be major impediment, to the active adoption of new technology.

**Multifunctional ATMs** are yet to be introduced by most of the banks in India, but have already been recognised as a very effective means of access to other banking services. Multifunctional ATMs are equipped to perform functions like dispensing cash and providing account information. Mobile recharges, ticketing, bill payment, and advertising are the relatively new areas that are being explored via multifunctional ATMs, which have the potential to become revenue generators for the banks by effecting sales, besides acting as cash delivery channels.

**ATM Network Switches** are used to connect the ATMs to the accounting platforms of the respective Banks. In order to connect the ATM networks of different banks, apex level switches are required that connect the various switches of individual banks. Through this technology, ATM cards of one bank can be used at the ATMs of other banks, facilitating better customer convenience. Under the current mechanism, Banks owning the ATM charge a fee for allowing the customers of some other bank to access its ATM. The various ATM network switches are Cash Tree, BANCS, Cashnet Mitr and National Financial Switch. Most of the ATM switches are also linked to Visa or MasterCard gateways. In order to reduce the cost of operation for banks, IDRBT, which administers the National Financial Switch, has waived the switching fee with effect from December 3, 2007.

**E-Lobby** is fully computerised Electronic Lobby operational 24X7. It is a novel concept which provides virtual banking to provide all the essential banking facilities under one roof even at the odd hours at night. E-Lobby brings a relief to a common man by providing

services beyond the normal banking hours also through its automated and advance machines like ATMs, Mega banker- The machine not only accepts cash deposit but also provides, automatic pass book printing and instant statement of accounts, Coin Dispenser is used for dispensing coins to general public to mitigate coin shortage, Cheque Deposit- Machine with a scanner to generate automatic receipts of cheque deposited by customers through this machine. Loan Kiosk, Information Kiosk, and Internet banking Kiosk are the other machines which provide banking services to the public.

**Internet Banking** in India began taking roots only from the early 2000s. Internet banking services are offered in three levels. The first level is of a bank's informational website, wherein only queries are handled; the second level includes Simple Transactional Websites, which enables customers to give instructions, online applications and balance enquiries. Under Simple Transactional Websites, no fund based transactions are allowed to be conducted. Internet Banking in India has reached level three, offering Fully Transactional Websites, which allow for fund transfers and various value added services.

Internet banking poses high operational, security and legal risks. This has restrained the development of internet banking in India. The guidelines governing internet banking operations in India covers a number of technological, security related and legal issues to be addressed in relation to internet banking. According to the earlier guidelines, all internet Banking services had to be denominated in local currency, but now, even foreign exchange services, for the permitted underlying transactions, can be offered through internet banking.

Internet banking can be offered only by Banks licensed and supervised by RBI, having a physical presence in India. Overseas branches of Indian banks are allowed to undertake internet banking only after satisfying the host supervisor in addition to the home supervisor.

**Phone Banking and Mobile Banking** are a fairly recent phenomenon for the Indian banking industry. There exist operative guidelines and restrictions on the type and quantum of transactions

that can be undertaken via this route. Phone banking channels function through an Interactive Voice Response System (IVRS) or telebanking executives of the banks. The services are limited to balance enquiries, transaction enquiries, stop payment instructions on cheques and funds transfers of small amounts (per transaction limit of Rs 2500, overall cap of Rs 5000 per day per customer). According to the draft guidelines on mobile banking, only banks which are licensed and supervised by RBI and have a physical presence in India are allowed to offer mobile banking services. Besides, only rupee based domestic services can be offered. Mobile banking services shall be restricted only to customers of bank and / or holders of debit / credit cards issued as per the extant of RBI guidelines. Account holders which are KYC and AMC compliant.

With the rapidly growing mobile penetration in the country, mobile banking has the potential to become a mass banking channel, for very minimum investment required by the banks. However, more security issues need to be addressed before banking can be conducted more freely via this channel.

The card **based delivery mechanisms** for various banking services are credit cards, debit cards, smart cards etc. These has been immensely successful in India since their launch. Penetration of these card based systems have increased manifold over the past decade. Aided by expanding ATM networks and Point of Sale (POS) terminals, banks have been able to increase the transition of customers towards these channels, thereby reducing their costs too.

The innovations in technology and communication infrastructure in recent years have impacted banks in a large way through the development of **payment and settlement systems**, which are central to the major portion of the businesses of banks. Important technological innovations in payment and settlement systems introduced by the RBI in recent years are Paper Based Clearing Systems, Cheque Truncation System (CTS), Electronic Clearing Service, Electronic Funds Transfer Systems

Many Indian banks handled technological issues in house till the late 1990s. Thereafter, the complications of the business necessitated the

engagement of specialized vendors to handle complex issues. Due to the complexities involved, most banks now prefer to engage IT vendors to introduce specialized softwares to help in their risk management. The major **channels of distribution** in the banking industry, besides branches are ATMs, Internet banking, Mobile and Phone banking and card based delivery systems.

**Dominant players in the industry have embarked on a series of strategic and tactical initiatives to sustain leadership. The major initiatives incorporate:**

- Focus on ensuring reliable service delivery through Investing on and implementing right technology.
- Leveraging the branch networks and sales structure to mobilize low cost current and savings deposits.
- Making aggressive forays in the retail advances segments of home and personal loans.
- Implementing initiatives involving people, process and technology to reduce the fixed costs and the cost per transaction.
- Innovating products to capture customer 'mind share' to begin with and later the wallet share.

## **Objectives**

This paper focuses on eliciting vies and perceptions of retail banking customers using New Age Technologies offered by the private sector banks, keeping in mind the below objectives:

- a) To understand the demographic variables influencing customers acceptance of Gen – Next services under new age technologies offered by private banks.
- b) To explore the level of awareness, sources of awareness and usage rate of new age banking services by customers.
- c) To diagnose the problems faced in using new age service facilities offered by private sector banks.
- d) To measure the level of risk involved in using new age service facilities offered by private banks.
- e) To assess the satisfaction level of the customers in using the

new age banking Services.

### **Research Methodology**

In the current research paper, Mangalore City has been selected for collection of primary data related to the opinion about awareness, acceptance and adoption of technology enabled products and services. A survey was conducted among the retail banking customers in various professions of different age groups, who are the holders of Savings bank account. This survey was mainly aimed at understanding the key variables like awareness, usage rate and frequency of use among leading private banks such as ICICI Bank Ltd, HDFC Bank Ltd, Karnataka Bank Ltd, Yes Bank Ltd, South Indian Bank Ltd Axis Bank Ltd. The sample size consisting of 100 respondents were selected for the study. A non probability convenience sampling technique was followed. The questionnaire contained three sections. The first section was used to collect the demographic profile of the respondents, the second section was devoted to elicit information regarding awareness, source of awareness, mode of getting educated, technology enabled facilities offered by private sector banks and availed by the respondents with benefits as well as problems in using technology enabled facilities and the third section was focused on soliciting information regarding customers views on risk and satisfaction level. The respondents were requested to respond fairly, with a lot of care as well as responsibilities.

### **Results and discussions**

#### **Table No. 1` : Demographic Profile of the Resopondents**

*Source: Field survey*

The demographic profile of the bank customers are summarised in Table No. 1. The dominant age group among the customers is 21 years to 30 years followed by 31 years to 40 years. The male customer is dominating in the sampled customers. Majority of the customers surveyed were individuals working in private companies and the significant monthly income among the customers is above Rs. 20,000. The dominant level of education among the Bank customers is Graduation, which is followed by post graduation.

**Table No. 2 : Details on awareness of the Banking technology, facilities offered by the Banks and availed by the customers**

*Source: Field survey*

*Note: Figures in the table denotes the actual count.*

Table No. 2 reflects that ATMs as a technology driven facility service is the most known, offered and availed by the banking customers followed by E-Banking and Mobile banking; where the awareness level is considered to be moderate. However in future, the Mobile banking and E Banking will gain wide spectrum of customers with increase in usage rate of internet and wireless communication. Further it is evident from the study that other facilities like Core banking and Phone banking need to be promoted more among the customers as it does not provide ease of operations when compared to other technologies.

**Table No. 3 : Rating of New Age Banking facilities offered by Bank**

*Source: Field survey*

*Note: HS – Highly Significant, NS - Not Significant, S – Significant.*

Table No. 3 disclose the rating of technology to be highly significant with respect to ATM, banking, and Phone banking as P value is less than 0.050 and from the mean value we can infer that the rating is above average level. The results of Core Banking are found to be

significant with p value - 0.031 and mean of 3.79. However the analysis relating to Mobile banking is found to be not significant.

**Table No. 4:**  
**Sources for the awareness  
of Banking Technology**

**Table No. 5:**  
**Media used for spreading  
awareness of Banking Technology**

*Source: Field survey*

*Source: Field survey*

From Table No. 4 we can infer that majority of the customers were aware of the technology driven facilities through friends / relatives followed by Internet/website. Table No. 5 highlights that the respondents got educated on these services through newspaper/magazine followed by bank website and officials.

**Table No. 6**  
**Benefits of Banking Technology**

**Table No. 7**  
**Problems of Banking Technology**

*Source: Field survey*

*Source: Field survey*

Every day is a new day. Today hardly any person go physically to the banks. People need everything at their finger tips not at their door steps. In this era of time crunch for everything technology integration, upgradation and advancement is must, for ease of use, convenience and any time banking. Because customers who are finding new ways to interact, communicate and transact need transparency, efficiency, instantaneity and above all, the innovation.

Table No. 6 articulates the benefits of banking technology as perceived by the respondents. Out of the benefits derived from the use of technology driven facilities offered by the Bank, majority of the customers are significantly impressed by the ease of use and anytime banking option that it provides.

Also it can be noticed from Table No. 7 that the major problems hindering the use of technology driven facilities offered by the banks in terms of relative percent as reported by the sampled respondents are technical failures – 33.87 percent, risk/fear – 32.28 percent and internet connectivity – 29.13 percent. Thus banks have to continuously understand the customers' requirement and take remedial measures to resolve issues then and there.

### **Chart No. 1: Level of Risk Involved in using New Age Banking**



*Source: Field survey*

It is apparent from Chart 1 that the respondents banking customers associate a moderate level of risk in using the technology driven facilities offered by the bank. Roboff and Charles (1998) found that people have a weak understanding of online banking security risks although they are aware of the risks. Furthermore, they found that consumers often trust that their bank is more concerned about privacy issues and will protect them. Finally, they argue that although consumers' confidence in their bank is strong, their confidence in technology is weak. Hence banks need to take enough measures to reduce the risk factor involved in technology driven services so that customer adoption is increased.

**Table No. 8 : Significant difference in the rating of Level of risk***Source: Field survey*

Table No. 8 displays the results to be highly significant. It is evident from the analysis that the Level of Risk Involved in using New Age banking Technologies is below the average level with mean value of 1.69. Since the P value is 0.004 we reject the null hypothesis at 1 percent level of significance.

**Table No. 9 : Significant difference in the mean rank of risk level based on Gender***Source: Field survey*

From the visual inspection of Mann-Whitney U Test as mentioned in Table No. 9 it is clear that the P value is less than 0.05. Hence null hypothesis is rejected at 5 percent level of significance. Concluding that, there is significant difference in the mean rank between gender and risk perception. Based on Mean rank related to risk, females attach a greater level of risk than male counterparts.

**Table No. 10 : Frequency of usage of New Age Banking Technologies***Source: Field survey*

From Table No. 10 it can be interpreted that ATMs is most prominently used by customers in comparison to other technology driven facilities offered by the bank. Further, moderately used facility by majority of customers is E-Banking and Mobile banking. While rarely used technology is Core banking and Phone banking.

**Table No. 11 : Level of satisfaction of New Age Banking Technologies**

*Source: Field survey*

Banks are providing new age innovative techniques for satisfying customers, such as ATMs, E-Banking, Core banking, Phone banking, etc. The Table No. 11 illustrates satisfaction level of customers, it is evident that customers have rated ATMs as excellent technology driven service offered by the Bank since it is also the most used facility as seen in Table No. 10. Thus we can infer that there is complete interconnection between usage frequency and level of satisfaction.

**Table No. 12 : Significant difference in the rating of Satisfaction Level**

*Source: Field survey*

Table No. 12 reflects the satisfaction with respect to general banking facilities (Mean value -1.89) and Overall satisfaction (Mean value - 1.70). The Mean value demonstrate the results to be below average level. Further the P value in the above mentioned items tends to be less than 0.010 thus the null hypothesis is rejected with 1 percent level

of significance hence conclude that the results are highly significant.

**Table No. 13: Significant difference in the service efficiency level**

*Source: Field survey*

Table No. 13 shows the Improvement in Service efficiency level due to the use of new age facilities. Since the P Value is less than 0.010, we reject the null hypothesis at 1 percent level of significance hence conclude that the results are highly significant. Further since the mean value is 1.88 we can state that the Improvement in Service efficiency level due to the use of new age facilities is below the average level.

**Table No. 14 : Association between Gender and intention to continue**

*Source: Field survey*

Table No. 14 portray the P Value to be 0.445 which is considered more than 0.05. Thus the Null Hypothesis is accepted at 5 percent level of significance. Hence we conclude that there is no association between gender of the respondent and Intention to continue with same bank. Both the variables (gender & Intention) are treated as independent variable.

## **Findings**

- There is no uniformity in the opinions of the respondents about the rating of New Age technology like ATM, E-banking and Phone banking, where as with regard to Mobile banking the opinion appears to be uniform.
- It is evident from the analysis that the Level of Risk involved in using New Age banking technologies is below the average level. Hence, it can be inferred that the respondents did not face much difficulty/risk while operating on new technological services offered by banks.
- It has been found from the study that there is significant difference in the mean rank between Gender and level of risk. From this it can be stated that the females attach a greater level of risk than male counterparts.
- The study indicates that the respondents are not satisfied with general banking facilities and overall banking. The reasons for such dissatisfaction may be attributed to problems such as internet connectivity, technical failure, security issues and inadequate knowledge about the new age banking technology.
- It is apparent from the study that there has been no improvement in service efficiency level of the banking due to the use of New Age facilities. Despite boosting of new age technology by banks the customers are not served well. Thus the real demands of the customers are not met properly.
- It is found from the study that there is no association between Gender and intention to continue with the same bank. Both the nominally scaled variable are treated as independent.

Customers of Private sector banks agree that there exist a nexus between factors such as age, gender, income, qualification and adoption of banking technology by customers. Young generation belonging to a category of 21-30 years finds the technologies offered by banks comfortable, friendly and easy to use. Customers with post-graduate and graduate qualifications are found to be mostly adaptors of new age banking technologies. It is reflected from the survey that

ATM banking technology remains the most popular banking service among customers after E-Banking and mobile banking respectively; as they provide ease of use, convenience, any time banking, real time accessibility with accurate record of various transaction. However core banking and Phone banking remains to be the rarely used technology. Moreover the customers perceive moderate level of risk in new age technologies offered by banks. Hence this study highlights the acceptance level of various New Age banking technologies available to customers and their satisfaction level towards the use of these banking services.

### **Recommendation**

On the basis of the present study the following suggestions are offered for the improvement of present status of service:

1. The study showed that the rate of usage of services is less among the customers of low education level. Hence, efforts should be made to popularise the various services among this class of customers through effective channel of communication.
2. It has been found that, among various services core banking and phone banking are the two categories which are used to least extent. Generally these services are used by middle and upper class consumers. Again bank should organise programmes to educate the customers regarding these services.
3. The study reveals the fact that, news papers is the major media used to educate the customers about New-Age Services, followed by bank Website, bank officials etc. Brochure is the least used media. But brochure is the most effective having long life. Hence, bank should use this media to spread awareness about the services particularly among those customers who have no easy access to media like website, bank officials etc.
4. The survey also revealed that the customers many a time face the problem while using ATMs due to technical flaws. These

complaints should be immediately attended by the Bank officials.

## Conclusion

In order to gain customers confidence in the New Age banking technologies, Banks have to set right the anomalies caused through internet connectivity, security issues and technical failures. Further Private banks have to understand the customers' aspirations and shall provide more reliable services acceptable to them. Finally, banks not only have to focus on 'best in class' technology but have to deliver 'world class technology' to cater to different demographic segments in the society as well as to an global Indian. 'In private to serve public' should be the mantra of Private Sector banks.

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# Job Performance and Motivation among Government Employees in Uttar Pradesh

\* Dr. Budhi Sagar Mishra

## Abstract

*Motivation and performance in administration assume paramount importance in the era of globalization, economic liberalization and new policy regime. There has been increasing demand of transparency and accountability in public administration in the context of globalization, economic liberalization and new policy regime. The improved technologies of information, communication and office management have also widened the scope of transparency, accountability and responsiveness in the governance in India. Motivation among the government officials is crucial for improving the performance and productivity in the organization besides motivation ensures high level achievements and individual performance in the administration. In the changing paradigms of development and governance, motivation assumes greater importance as competitive environment is creating better job opportunities. Thus, organizational effectiveness and smooth functioning of the administration demands high level of motivation in order to achieve the desired goals and objectives and efficient administration. Against this view point, present paper purports to review theoretical perspective of motivation and job performance with special reference to Uttar Pradesh*

**Keywords :** Job Performance, Motivation, Job Satisfaction, Public Sector

Motivation among the different categories of bureaucrats has been found crucial for improving the performance, productivity and achieving the desired goals of development and administration. With a change of time, the steel frame work of bureaucracy is converting to the bamboo framework as corruption is becoming rampant in

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\* Assistant Professor, Dept. of Management, L. N. Mishra College of Business Management, Muzaffarpur, Bihar

development administration in India. This has also led the nexus between politicians and bureaucrats, which has resulted in malpractices, corruption and mis-utilization of state machinery. The frequent transfers of bureaucrats, political interference in development administration, law and order and particularly in implementation of flagship schemes and welfare of employees have been the causes of concern as it affects the motivation and morale of employees to perform better.

Motivation has been variously defined by scholars. Usually one or more of these words are included in the definition as desire, wants, aims, goals, drives, motives and incentives. Motivation is a Latin word which means, 'to move'. Motivation is the process of channeling a person's inner drives so that he wants to accomplish the goals of the organization. It is a kind of behavioral concept by which we try to understand why people behave as they do. It concerns those dynamic processes which produce goal oriented behaviour. Dubin describes motivation as the complex of forces starting and keeping a person at work in an organization. It is something that moves the person to action and activity and suggests that there are forces inside the person starting and maintaining activity, whether we call them drives, instinct or wishes, they can be described as mechanism of the organism. 'In simple words motivation is will to *work*'.

Berelson and Steiner state that "A motivation is an inner state that energizes, activates or moves and directs channels behaviour towards goals". Standford and Wrightman describe a motive "thus it is restlessness, a lack, a yen, a force. Thus motivation is the process of creating organizational conditions which will impel employees to strive to attain organizational goal. According to Lillis – motivation is the stimulation of any emotion or desire operating upon one's will and prompting or driving it to inspire and encourage people to take required action. Tolman observes "more specifically the term motivation has been called intervening variables". Motivation has been defined by many social thinkers and psychologists in their own way, all definitions indicate that motivation is a goal oriented work or it is a kind of energy in every man required to, as boost to expend

energy to achieve the goal, the boosted may be a kind of reward incentives etc. “We may define motivation as a willingness to expend energy to achieve a goal or reward. It is a force that activates dormant energies and set in motion the action of people”.

The aim of initiative under administrative reforms always remains to provide an efficient, accountable, transparent and citizen-centric administration. Since the traditional form of invisible governance has become obsolete in the phase of globalization and liberalization, there is an all-round demand and emphasis on free access and availability of information to the stakeholders. In India, the Right to Information Act, 2005 has been an important legislation that recognizes the citizens' right to information. It also operationalizes this right by presenting procedures and mechanisms. The Second Administrative Reforms Commission, under the chairmanship of Shri M. Veerappa Moily makes a number of significant recommendations in order to make the legislation more progressive and comprehensive. The Commission perceives 'right to information' as the key to strengthening participatory democracy and ushering in people-centred governance. It also indoctrinates significance of transparency in the form of availability of information to the people and intelligibility about functioning of various governmental agencies. With the increasing use of information technologies, community driven change and media activism, the development administration is leading towards good governance. It calls for transparency, accountability, and responsiveness among the bureaucrats. Thus, the performance of bureaucrats not only depends upon motivation and morale but also the changing paradigms of governance. The present study purports to examine the motivation and performance among the different categories of bureaucrats in administration.

A number of research studies related to motivation, job enrichment, working conditions, organizational climate and culture and job satisfaction have been carried out however; there is paucity of literature and empirical data on motivation and job satisfaction among the bureaucrats in Indian political and administrative system.

Maslow suggested that there is a '*hierarchy of needs*' which people progress. Once a need at one level in the hierarchy is satisfied in an individual, it ceases to motivate their behavior; instead they are motivated by the need at the next level up the hierarchy. Though many found the idea of a hierarchy of needs appealing, we should stress that the notion has not much empirical support (Wahba and Bridwell, 1978). One content theory which does provide reasonably reliable measures for the needs it proposes is known as ERG theory (Alderfer, 1972).

Herzberg's two-factor theory is a second theory which makes the same basic point (Herzberg, and Snyderman 1959). The independent effect of motivators and hygiene's has been questioned, and at least one study has demonstrated that both can be related to job satisfaction and dissatisfaction (Schneider and Locke, 1971). Douglas McGregor also attempted to illustrate the connection between different models of motivation and managerial practices (McGregor, 1960). An emphasis on the role of an individual's cognitive processes in determining his or her level of motivation is what all process theories have in common. Individuals can also compare their effort-reward ratio to one that they experienced at one point in time. Equity theorists assume that this *social comparison process* is driven by our concern with fairness or equity. We perceive effort and reward not in absolute but in relative terms (Adams, 1965). Recent research (Summers, and Hendrix, 1991) (Dornstein, 1989) in real rather than laboratory settings supports Adams' original predictions and confirms equity theory as one of the most useful frameworks for understanding work motivation. The key role of employees' perceptions of their jobs is underlined again in the *Valence, instrumentality and expectancy* (VIE) theory. This explanation of employee motivation has been popular since the publication of Vroom's study (Vroom, 1964).

In a study by Hong et. al. (Long, Luang, Sun & Chiou, 1995), bonuses, dividends and pensions are the three types of benefit that were found to have the greatest impact on workers' performance. Larger firms often offer share ownership schemes as an incentive to

their employees, but Cully et al (Cully, G Dix, A O'Reilly & S Woodland, 1999) found that the presence of such a scheme has no measurable effect upon workers' motivation or performance. Over the past two decades, a major theme in organizations has been the "reengineering" of jobs in an attempt to make them more psychologically rewarding (Pefia and Reis, 2001). Reengineering may involve "job rotation" (switching employees between tasks to avoid boredom), "job enlargement" or "job enrichment" (L J Mullins, 1996). Social interactions with colleagues are an important source of motivation in many jobs. To some extent these are beyond managers' control, but firms can seek to reduce the risk of de-motivating personal conflicts occurring, by taking care during the recruitment and selection process to hire appropriate individuals who will fit in with a team's culture (Bent, Forbes, Ingram and Seaman 2002). There is evidence that employees are best-motivated when they are pursuing specific "goals".(Cully, Dix, O'Reilly and Woodland, 1999) also found evidence that regular performance appraisals and monitoring of individual quality do help to "boost morale" and improve "workplace well-being". Nearly all employees regardless of their occupation or their status in an organizations hierarchy are motivated to some extent by pay (Wiley, 1997).

Faculties appear to have the needs which are the most mature. The academic environment attracts people who tend to be oriented to self-initiated, creative behavior. By Aldefer (1972) frustration of growth (generatively and self-actualization) increase the desires of relatedness satisfaction, and frustration of related needs lends to the desire for existence gratification. For instance, frustrated researchers might turn to affiliation available through teaching, frustrated teachers might move to another institution, extend their education, or participate more in administration. MacKeachie (1982), Leander (1982) and Ryan (1982) all suggest that faculty are intrinsically motivated and have limited positive extrinsic motivation possibilities. Intrinsic motivation is coincident with the higher levels of Maslow's need hierarchy, while extrinsic motivators are appropriate for the lower levels of the hierarchy. Deci and Ryan

(1982) indicate that intrinsic motivation appears to work equally well for both teachers and learners. A teacher who is intrinsically motivated seems to enjoy the activity for its own sake and has a good chance to get the student to seek the intrinsic rewards of learning. If a teacher is extrinsically motivated, students might conclude that learning is worthless in and of itself and lacks inherent value. Whitehead (1929) says that the ideal of a technical education is to be a commonwealth in which work is play, and play is life."

Several studies have highlighted the deleterious consequences of high workloads or work overload. According to Wilkes et al. (1998) work overloads and time constraints were significant contributors to work stress among community nurses. Workload stress can be defined as reluctance to come to work and a feeling of constant pressure (i.e. no effort is enough) accompanied by the general physiological, psychological, and behavioral stress symptoms (Division of Human Resource, 2000). Al-Aameri AS. (2003) has mentioned in his studies that one of the six factors of occupational stress is pressure originating from workload. Alexandros-Stamatios G.A. et al. (2003) also argued that "factors intrinsic to the job" means explore workload, variety of tasks and rates of pay. Rapidly changing global scene is increasing the pressure of workforce to perform maximum output and enhance competitiveness. Indeed, to perform better to their job, there is a requirement for workers to perform multiple tasks in the workplace to keep abreast of changing technologies (Cascio, 1995; Quick, 1997). The ultimate results of this pressure have been found to be one of the important factors influencing job stress in their work (Cahn et al., 2000). A study in UK indicated that the majority of the workers were unhappy with the current culture where they were required to work extended hours and cope with large workloads while simultaneously meeting production targets and deadlines (Townley, 2000).

Role ambiguity is another aspect that affects job stress in the workplace. According to Beehr et al. (1976), Cordes & Dougherty (1993), Cooper (1991), Dyer & Quine (1998) and Ursprung (1986) role ambiguity exists when an individual lacks information about the

requirements of his or her role, how those role requirements are to be met, and the evaluative procedures available to ensure that the role is being performed successfully. Jackson & Schuler (1985) and Muchinsky (1997) studies found role ambiguity to lead to such negative outcomes as reduces confidence, a sense of hopelessness, anxiety, and depression. Several studies have tried to determine the link between stress and job satisfaction. Job satisfaction and job stress are the two hot focuses in human resource management researches. According to Stamps & Piedmonte (1986) job satisfaction has been found significant relationship with job stress. One study of general practitioners in England identified four job stressors that were predictive of job dissatisfaction (Cooper, et al., 1989). In other study, Vinokur-Kaplan (1991) stated that organization factors such as workload and working condition were negatively related with job satisfaction. Fletcher & Payne (1980) identified that a lack of satisfaction can be a source of stress, while high satisfaction can alleviate the effects of stress. This study reveals that, both of job stress and job satisfaction were found to be interrelated.

The study of Landsbergis (1988) and Terry et al. (1993) showed that high levels of work stress are associated with low levels of job satisfaction. Moreover, Cummins (1990) have emphasized that job stressors are predictive of job dissatisfaction and greater propensity to leave the organization. Sheena et al. (2005) studied in UK found that there are some occupations that are reporting worse than average scores on each of the factors such as physical health, psychological well-being, and job satisfaction. The relationship between variables can be very important to academician. If a definite link exists between two variables, it could be possible for a academician to provide intervention in order to increase the level of one of the variables in hope that the intervention will also improve the other variable as well (Koslowsky, et al., 1995). In this study, we would like to examine what extent of interrelation between the job stress and job satisfaction among university academic staff setting in Malaysia.

In order to cope with increased competitive pressure globalization

and demand for efficiency, many organizations have come to rely on the strategy of restructuring and downsizing. The effectiveness of this strategy, however, depends, in part, on its impact on survivors' work attitudes and behaviors. Unfortunately, much of the evidence from research on survivors' work-related attitudes and behaviors subsequent to restructuring and downsizing have documented evidence of feelings of job insecurity, *intent to quit*, decline in organizational commitment, loyalty and trust, among others (Brockner, 1998; Brockner, Grover, Reed, DeWitt and O'Malley, 1987; Cascio, 1993; Kets de Varies and Balazs, 1997; Armstrong-Stassen, 1998; Ryan and Macky, 1998; Wager, 2001). Of these, intent to quit poses the most serious threat to the effectiveness of the restructuring and downsizing strategy because if unchecked, with appropriate organizational interventions, it leads to voluntary turnover of high performing survivors on whose long-term commitment, motivation and loyalty, the success of restructuring and downsizing depends (Mueller et al. 1984; Mone, 1994; Mishra, Spreitzer and Mishra, 1998). What is more, intent to quit is considered to be one of the most reliable predictors of voluntary turnover (Price and Mueller, 1995; Hom and Griffeth, 1995; Muller et al., 1994). This underscores the need for a conscious and structured organizational approach to the management of survivors' adverse reactions (intent to quit and subsequent voluntary turnover) to restructuring and downsizing.

Using Larzarus and Folkman's (1984) theory of stress, Mishra and Spreitzer (1998) offer a theoretical model that explains survivors' responses to downsizing. It classifies responses as either constructive or destructive and explains how they are influenced by trust, sense of justices, empowerment and job redesign. Empowerment and work redesign, they argue, influence secondary appraisal and facilitate constructive active responses because they enhance survivors' assessments of their capacity to effectively respond to the challenges that restructuring and downsizing represent. Consequently, they respond by obeying orders, waiting willingly through good and bad times for conditions to improve in the organization, accepting the

goals and objectives assigned to them by management and by actively finding ways to help the organization fulfill the objectives of the downsizing. If this argument holds true, employee empowerment and job redesign would be related to affective organizational commitment, defined as an employee's desire to remain attached to an organization and work to help accomplish its goal (Porter et al., 1979; Mowday, Steers and Porter, 1979,). It also suggests that empowerment and job redesign can be organizational interventions that could mitigate “intent to quit” that is induced by the uncertainties that restructuring and downsizing create. This, of course, is based on the premise that constructive responses exhibited by survivors are manifestations of their desire to remain attached and work to help accomplish the goals of the organization. Conversely, intent to quit and the consequent voluntary turnover are manifestations of a decline of survivors' affective organizational commitment. In other words, affective commitment is a predictor of intent to quit and subsequent voluntary turnover.

A number of studies on organizational and personal effects of restructuring and downsizing have reported mixed findings. While some reported cost savings and improved efficiency, others have reported high organizational costs in terms of lower levels of employees' morale, *trust* (Henkoff, 1994; Cascio, 1993; Ket de Vries & Balazs, 1997; Brockner, Davy & Carter, 1985) and feelings of *job insecurity*, higher levels of stress, loss of productive employees and feelings of uncertainties among survivors. Just as the results are mixed for organizations, survivors' responses to restructuring and downsizing are mixed as well. In one study of survivors' reaction to layoffs, Brockner, Grover, Reed, DeWitt and O'Malley (1987) found that it took the form of reduced work performance and organizational commitment. In another, Brockner, Grover, Reed, and DeWitt (1992) found that survivors who perceived downsizing as a threat but who had high economic need to work, responded by increasing their work efforts. Therefore, while some see it as a threat to job security, breach of psychological contract and trust, others see it as an opportunity to advance and assume greater

responsibility by assuming the tasks and responsibilities of the victims. Mishra and Spreitzer (1998) are of the view point that constructive responses range from *obliging* (calm, relief, committed, loyal, following order, routine behavior) to *hopeful* responses (hope, excitement, optimism, problem solving, and taking initiative). The post restructuring and downsizing work environment is characterized by uncertainty, work overload, role overload and stress level as survivors struggle to assume the work duties and responsibilities of those lay off. Emotional reactions to all of these include, fear, anxiety, feelings of job insecurity, anger, bitter feeling toward the organization for not holding its end of the psychological contract, and sense of loss of friendly coworkers. A number of studies have found associations between these prevailing conditions and emotional reactions and intent to quit, and between intent to quit and voluntary turnover. Hom and Griffeth (1995) found positive relationship between role overload and voluntary turnover. Similarly, Mueller, (1994) found association between work overload and voluntary turnover. To some survivors, the job insecurity associated with restructuring and downsizing environment is viewed as an opportunity to pursue career opportunity elsewhere (Bennet et al., 1995). It should be noted, however, that availability of alternative opportunities may mitigate voluntary turnover. Unfavorable economic conditions may prevent survivals from translating intent to quit into actual voluntary turnover. In such situation, survivors' decision to stay in their current employment may results from continuance commitment. A review of organizational commitment research literature by Meyer and Allen (1991), and corroborated by Dunham, Gruba and Castaneda (1994), identified three types of organizational commitment: *affective, continuance and normative*.

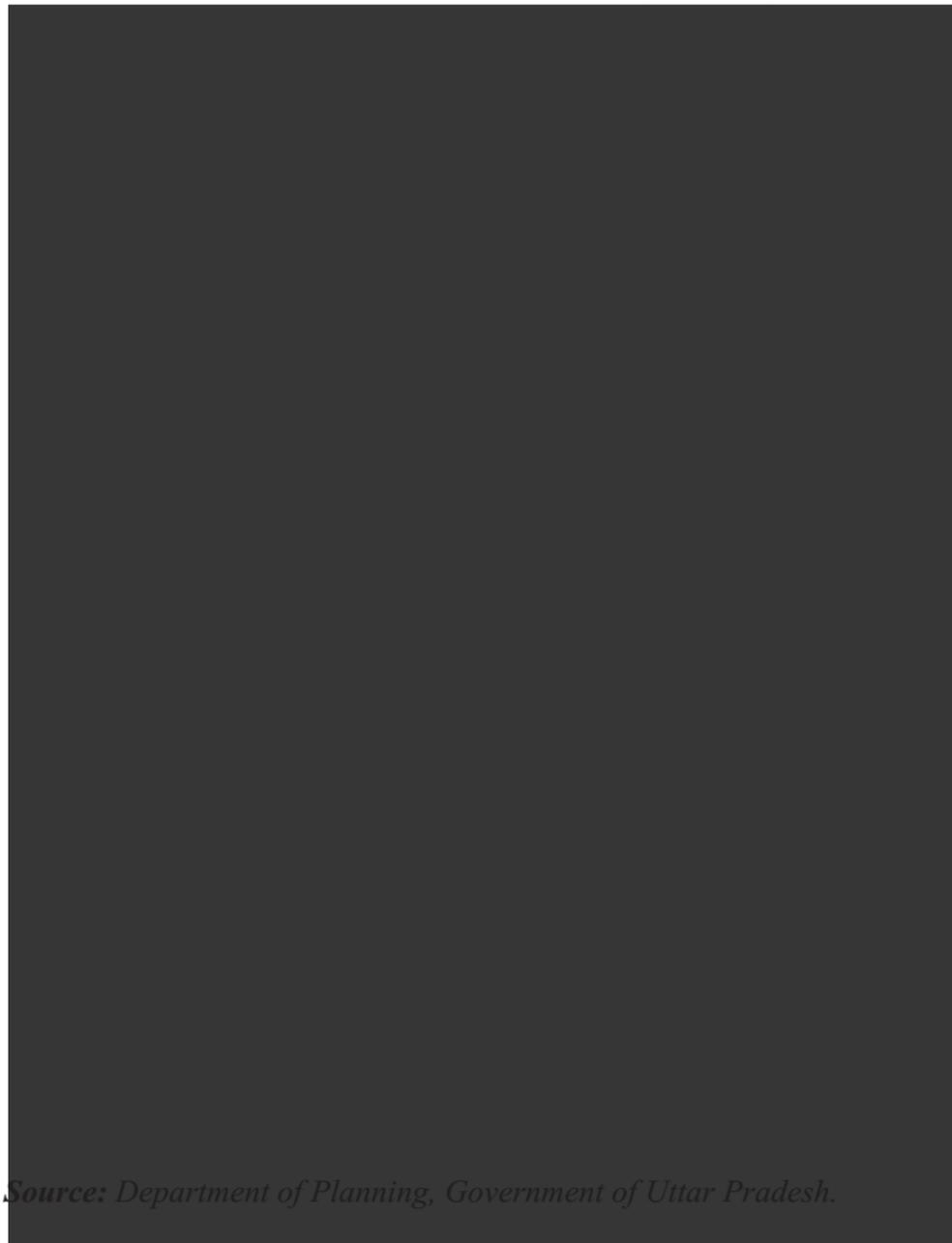
Job satisfaction is a highly researched work and attitude is commonly defined as “a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences” (Locke, 1976). Job satisfaction is associated with various organizational and individual outcomes (Judge, Parker, Colbert, Heller, & Ilies, 2001). For example, Violanti and Aron (1994) found that high levels of job

satisfaction were associated with improved psychological well-being, in their research with police officers. The relationship between low levels of job satisfaction and increased turnover behaviours is consistently produced (O'Leary-Kelly & Griffith, 1995). However, the associations between job satisfaction and actual turnover behavior are generally only moderate, and have also produced some mixed findings. The instability of job satisfaction over time probably accounts for these moderate predictions of turnover (O'Driscoll & Brough, 2003; Paton, Jackson, & Johnston, 2003), although this point has rarely been formally tested.

The onset of economic planning in India in 1951, with the launch of its First Five Year Plan, gave the Indian Civil Service the senior role in development administration. In this new mould, they were expected to (a) accept the ideological paradigm of development by the state, (b) design appropriate policy, and (c) implement policy. Cast in the Weberian model, the Indian bureaucracy was supposed to be neutral in the execution of their roles, but as Jackson (1983) states, this is an, 'extremely romantic, idealized view of the bureaucrat and the bureaucratic process'. Hirschmann called for reform of development bureaucracies in 1981, arguing that the situation had become 'deadlocked' (1981, 1999). However, attempts at reform of the Indian administration are not new. Over the years in India, many consultants' committees and commissions have been set up to revamp bureaucratic administration (Bhattacharya, 1997). Even a century ago, The Viceroy of India, Lord Curzon, was anxious to cut 'red tapism' within the service and reduce interdepartmental rivalries (Pachauri, 1997). Subsequent reforms under colonialism include parts of the 1909 Morley Minto reforms and the disastrous Montague-Chelmsford reforms (Pachauri, 1997). With Independence, reforms include the consultation with Paul Appleby and AD. Gorwala in the 1950s; the Santhanam Report; the monumental Administrative Reforms in the 1960s which submitted 20 reports; L. K. Jha's report in 1983; the report of the National Police Commission; and the Sarkaria Commission report on Centre-State relations in the 1980s, which included a section on the

bureaucracy. With liberalization and the subsequent adoption of new public management initiatives, the bureaucracy have, in theory, been apportioned a less powerful role in development and administration. Economic restructuring has meant the administration is increasingly seen as a promoter and facilitator, rather than direct provider, of goods and services (Veron, 1999).

**TableNo. 1: Employment in Organized Sector in Uttar PradeshYearNumber of Workers (in Lakh)**



*Source: Department of Planning, Government of Uttar Pradesh.*

Employment in organized sector in Uttar Pradesh is shown in Table No. 1. The number of workers in organized sector has fallen down from 26.77 lakhs in 1991 to 21.53 lakh in 2010. However, Employment in organized sector has shown an increasing trend since 2005. Out of total employment in organized sector during 2010, 75.80 per cent employment was reported in public sector while only 24.20 per cent employment was recorded in private sector. The share private sector in employment of organized sector during 1991 was recorded 20.02 per cent only. Thus, there has been increasing trend of employment in private sector as far as organized sector of employment is concerned.

**Table No. 2 : Industrial Activity-wise Employment in Public Sector in Uttar Pradesh (In Lakh)**



*Source: Department of Planning, Government of Uttar Pradesh.*

During 2003, total employment in public sector was reported 16.92 lakh workers. Out of this, about 1/4<sup>th</sup> employment was recorded in public administration, defence and essential social security sector while 17.85 per cent employment was reported in transport, storage and communication sector. About 16 per cent employment was also reported in education sector during the year. During 2010, the employment in public sector has declined by 3.68 per cent. Public administration, defence and essential social security constituted largest share (27.88 per cent) while education sector constituted 16.73 per cent share (Table No. 2).

**Table No. 3 : Employment in Public Sector in Uttar Pradesh  
(In Lakh)**

*Source: Department of Planning, Government of Uttar Pradesh.*

Employment in public sector in the state of Uttar Pradesh is shown in Table No. 3. During 2010, state government constituted more than 2/5<sup>th</sup> employment in public sector (42.34 per cent) while about 21 per cent employment was reported in quasi state government services. Central government employment constituted less than 20 per cent while employment in local governments was recorded 6.74 per cent.

Motivation is gaining importance in administration and development. The performance of government employees are affected by motivation, morale, and communication. The changing paradigms of development and governance are demanding committed bureaucrats while the degrading values in administration call for attention. The efforts for bringing transparency and accountability in administration are leading towards good governance; however, administrative reforms are essential for rejuvenating bureaucracy in India.

### **Suggestions .**

- Changing the mindset of the government employees is important. This will be addressed to organizing programmes for orientation, training and capacity building. Thus, the government employees may be prepared for using modern information technologies and adopting proactive attitude for disclosure of information to the public..
- Change management is the biggest issue and challenge in application of e-governance and needs to be managed very sensibly, carefully and with utmost priority to ensure the effective implementation of e-governance projects.
- Sustained and committed political and administrative will is imperative for ensuring effective implementation of administrative reforms and ensuring the application of principles of good governance. It is imperative to complete the unfinished agenda of decentralization, the devolution of functions, powers, resources and functionaries to the local governments.
- Coordination among the various ministries, state governments, local governments and parastatal agencies needs to be enhanced in

order to plan, design, implement and sustain the administrative and governance reforms in India. It is suggested that the Central Government should setup a separate ministry for coordination among various ministries and departments in order to converge the resources, programmes, schemes and developmental projects besides ensuring the transparency and accountability in administration.

- It is felt that efforts should be carried out on priority basis for building the institution capacity by revamping the personnel system, skilled and professional staffing, organizational development and restructuring and business process reengineering to ensure the sustainability of governance reforms.
- It is strongly suggested that administrative continuity should be ensured by giving minimum average tenure to the civil servants and other public officials for bringing in accountability and administrative efficiency in governance.
- The government officials should be provided incentives and rewards time to time for better job performance and achieving good results in order to sustain their motivation and morale.
- There should be proper policy for transfers of bureaucrats. Adequate time should be provided for new postings with timely indication of transfers. The government officials should have minimum tenure and unnecessary transfers just for political reasons should be avoided.
- In order to sustain the motivation among the bureaucrats it is imperative to that there should be strict provisions and rules for promotions. Out of promotions or out of turn promotions should be discouraged through effective enforcement of human resources policy. It is further suggested that performance, annual confidential reports and achievements. Performance Appraisal System should be applied for assessing the performance of government officials for their promotions.

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# Authentic Leadership : An Agenda for Building Vigorous Organisation of the Future

\* Dr. Sudhir Raj K

## *Abstract*

*Leadership is the ability of our individual to influence others to achieve some predetermined goal, This paper attempts to examine the ethical context of two types of Leadership theories viz: Transformational Leadership and Authentic Leadership. It also tries to understand the essence of authentic leadership and how it will eventually contribute to organisational vigor.*

**Keyword:** *Authentic Leadership, Transformational Leadership, Organisational Ethical Leaders.*

Leaders, good or bad, ethical or unethical great or small, arise out of the needs and opportunities of a specific time and space. Often critical issues, worthy causes, and a hungry and willing constituency generate great leaders.

In the past, the focus was on the leaders leading to the “Great-Person Theory of Leadership” In fact, the English verb, “Lead” comes from an Indo-European root, “Leith”, which means “to cross a threshold”. People who are truly leading seem rarely to think themselves in that way. Their focus is invariably on what needs to be done, the larger system in which they are operating, and the people with whom they are creating—not on themselves as “leader”(Senge,1990). Then the focus was eventually on the various system and types of leadership. Currently, the focus is also on the followers as collaborators (Gini, 2004).

Leadership is the ability to influence an individual or a group toward the achievement of some predetermined goals. Luthans and Avolio(2003) introduced *authentic leadership* as separate construct that lies at the intersection of positive organisational scholarship and transformational full range leadership. They explained it as a root

\* Professor, Justice K. S. Hegde Institute of Management, Nitte.

construct that could incorporate charismatic, transformational, integrity and/or ethical leadership. Interestingly, they also argued that these construct could be discriminated from each other.

This paper makes an attempt to examine the ethical context of two leadership theories- Transformational Leadership and Authentic Leadership. An attempt will be made to conceptualise the deep sense of self of an authentic leader and higher capability in judging ambiguous ethical issues, viewing them from multiple perspectives, and aligning decisions with moral values and vigor. The vigor refers to individual's feelings that they possess physical strength, emotional energy and cognitive liveliness, a set of interrelated affective experiences (Shiron and Arie,2007). The focus of this paper is to understand the essence of authentic leadership and how it will eventually contribute to organisational vigor. That is a synergetic accumulation of individual employees level of vigor. On the positive light of this, some organisational implications will be drawn in the end.

### **The Agenda**

Etymologically, leadership can be well traced to the old English word “Leaden” or “Loedan”, which meant to make go, to guide, or to show the way, and to the Latin word, “Ducers” which meant to draw, drag, pull, guide or conduct. Popular usage often confounds leadership with power, status, popularity or position of influence (Rhode, 2006). A plain understanding of leadership requires that leaders must inspire by example, not simply compel or direct their followers. All these explanations understand and denote leadership as a process, act, or influence exerted by one or a few on many to get something done. Rost (1991) said that neither scholars nor practioners have been able to define leadership with precision, accuracy, and conciseness so that people are able to label it correctly when they see it happening or when they engage in it. Morally sensitive leaders are the essential feature of any sound organisation (Solomon, 2004).

Given the many recent ethical scandals and unethical practices in businesses and corporate world, scholars as well as authors of popular leadership books have become interested in better

understanding the ethical dimension of leadership. Leader honesty integrity, trust- worthiness, forgiveness, and vigor has long been seen as important to perceived leader effectiveness.

Warren Bennis with over fifty years of leadership experience and in depth writing about it, is one of the leading scholars on leadership. Bennis strongly believed that leadership is not some set of tricks to be studied and how-to-do manual for the ambitious, it is the all encompassing study of the human condition, it is full potential, its vision and imagination, its dignity and sanctity. A leader strives to attain a harmonious relationship in his/her inner world. He/She achieves a measure of equilibrium between his/her active life and contemplate life. All great leaders instinctively are aware of this.

Leadership also requires a quality, that is, often called commonsense. It is really hard to define what commonsense is, yet to 'sense' it when we see it. Commonsense comes from freshness of perspective. Commonsense demands child-like innocence of looking at reality without conditioning of our senses. Those with good commonsense not only ask the correct questions but also question that—very premise on which these questions are based. This is the real backdrop for the study of authentic leadership.

### **Understanding Authentic Leadership**

Ethical orientation has long been incorporated into transformational leadership. Burns(1978)originally introduced transformational leadership to describe political leaders. He distinguished transformational leadership from compliance based transactional approaches. According to Burns(1978), transformational leaders encourage followers to look by and their own individual desires and needs to a broader collective purpose. It is very interesting to note that Burns relied upon Kohlberg's Theory of Cognitive Moral Development, Maslow's Theory of Human Needs, and Rokeach's Theory of Values to explain why transformational leaders are thought to satisfy followers lower level existence needs, allowing them to focus on their higher level growth needs. Burns also pointed out that transformational leaders move followers to higher stages of moral development, by directing their attention to important values such as

justice and equality. Developing shared values through value internalisation process is also an important element of transformational leadership.

Burns presumed that transformational leaders were moral leaders and were not manipulative. A good leader exploits tension and conflict within people's value system and plays the role of raising people's consciousness. For this, the leader should be extremely conscious, alert and sensitive to the subtle Laws of Nature including human nature. He knows when loyalty turns into flattery and when genuine commitment degenerates into soulless performance. All this he/she understands because his/her alert mind can read silent language of Nature, which is the language of paradox.

Transactional leadership deals with the values of the means of the act which he calls moral values (eg responsibility, fairness honesty and promise-keeping). Transactional leadership helps leaders and followers to reach their own goals by taking care of lower level of needs and wants, so that they could move up to higher needs and values. Transforming leadership, on the other hand, is concerned with values such as liberty, justice, and equality. Burns believed that a good leader needs both transactional and transformational leadership with a touch of moral philosophy.

The research has provided some support for the idea that transformational leadership is built upon a moral foundation and that transformational leaders will be committed to furthering moral goals such as justice and rights. Therefore, transformational leadership appears to be consistent with an ethically positive leadership style (Nelson Debra and Cooper Carg,2007).

Luthans and Avolio(2007) introduced authentic Leadership as a separate construct that lies at the intersection of positive organisational scholarship and transformational, full range leadership. They defined it as a root construct that could incorporate charismatic, transformational, integrity and/or ethical leadership but they also organised that these construct could be disseminated from each other. They proposed that authentic leaders can be developed by building upon the leaders in born characteristics their self awareness

and self regulation process. They argued that authentic leader incorporates transformation leadership, but is a bit different because, while changing followers in some fundamental way is key to transformation leadership, it is not necessary to authentic leadership. It should be noted that the operational definition of authentic leadership includes descriptions such as genuine reliable, trustworthy, real and veritable. Authenticity includes owning one's personal experience's as well as acting in accord with the true self. Thus, self-awareness, openness, transparency, and consistency are at the core of authentic leadership. Authentic leaders are capable of judging ambiguous ethical issues, viewing them from multiple perspectives, and aligning decisions with moral values. Interestingly Avolio and Colleagues(2004) differentiated authentic leadership from transformational leadership by noting that—authentic leaders are anchored by their own deep sense of self, they know where they stand and with that base they stay their course and convey to others often times through actions, not just words, what they represent in terms of principles, values and ethics. This sense of self is the source of their confidence, hope and optimism.

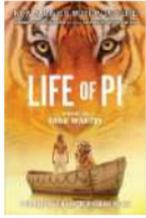
Authentic leadership is obviously concerned with the ethical dimension of leadership. It focuses on a self-aware leader who has strong ethical intentions and make good ethical decisions and finally becoming a role model for others in the process. It is clear that the broad ethical dimension of leadership fits within the transformational and authentic leadership domains. Ethical leadership as the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making (Brown et al.2005). This means that ethical leader's model conduct that is considered to be normatively appropriate in the particular context. Ethical leaders promote ethical conduct by setting ethical standards, communicating with followers about those standards, while providing voice and input, and holding followers accountable to those standards via the reward system.

Finally, ethical leaders make normatively appropriate (principled and fair) decisions that followers can observe and emulate. In a way this description of ethical leadership overlaps with the description of the moral component of authentic leadership (May, 2003). A true ethical leader has the capacity to discipline unethical conduct. He/She upholds organisational norms and supports the values of those who obey the rules (Trevino, 1992).

Can authentic leaders build a vigorous organisation? Vigor refers to individual's feelings that they possess physical strength, emotional energy and cognitive liveliness, a set of interrelated affective experiences. Authentic leaders can certainly contribute for the development of a vigorous organisation with his/her core values and life theme. Authentic leaders are grounded and they have a keen sense of reality and identify unethical practices easily and take the organisation towards sustainability.

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## A Review on “Life of Pi”

Author : Yann Martel

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**\* Dr Ratan Tilak Mohunta**

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The novel *Life of Pi* is a fantasy adventure story by the Canadian author Yann Martel published in 2001. However, the story can be read more as a metaphorical narrative that explores the possibility of God's existence. A newspaper review I read when the film adaptation of the book was released somewhere in 2009 drew an analogy between this story and the story of *Robinson Crusoe*. The analogy is not completely out of place, however the methods adopted to explore the theme of survival are vastly different.

Pi Patel is the son of a zookeeper in Pondicherry, India. He is named Piscine Molitor after a Parisian swimming pool visited by his mamaji who had an insatiable passion for swimming. But when kids at school start making fun of him by calling him Pissing, he shortened it to Pi, that familiar figure for the ratio of a circle's circumference divided by its diameter. He says: "And so in that Greek letter that looks like a shack with a corrugated roof, in that elusive, irrational number with which scientists try to understand the universe, I found refuge." In a way, he prefers to identify himself with the irrationality of nature and the universe.

Pi is sometimes uncomfortable at school but very happy at home. He learns that the zoo animals live by habit and, once their basic needs are met, are content to repeat the same rhythms and rituals every day. Change the routine in the slightest way, however, and the animal will express confusion, anger, or retreat into a safe place. He tries to see the divine in all creation including carnivores. In one very scary scene, Pi's father demonstrates that animals are ferocious beasts who are driven by their hunger and instinct. He also teaches the boy about

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\* Associate Professor of English, St Aloysius College, Mangalore.  
Mob: 9845664617

how a circus animal trainer is able to control large animals by assuming the position of the alpha male, demonstrating dominance and an ability to provide for their needs.

Pi's father is an avowed atheist and a rationalist; a product of the enlightenment, with no interest in religion. This teenager, who is a Hindu, finds himself also attracted to Christianity and Islam. Although he thinks that Jesus' ministry can't hold a candle to the exotic adventures of Hindu gods, his message of love seems very important. He keeps meeting a Catholic priest regularly and soon asks to be baptized. Pi also finds Islam to be "a beautiful religion of brotherhood and devotion." After meeting a Sufi mystic in the market, he puts a prayer rug in the garden facing Mecca and prays five times a day. However, once the local leaders of each religion discover what he is doing, they try to convince Pi that he must choose to practice one religion. They tell him that one can't practice many faiths still claim to be a believer; believing in many Gods is as good as not believing any. But Pi continues to believe in a universal, ever loving, amorphous God who is all in one and one in all.

Pi's spiritual journey begins quite early in life when he begins to seek the almighty in all living beings and in the power of nature. He describes this quest thus: "I left town and on my way back, at a point where the land was high and I could see the sea to my left and down the road a long ways, I suddenly felt I was in heaven. The spot was in fact no different from when I had passed it not long before, but my way of seeing it had changed. The feeling, a paradoxical mix of pulsing energy and profound peace, was intense and blissful. Whereas before the road, the sea, the trees, the air, the sun all spoke differently to me, now they spoke one language of unity. Tree took account of road, which was aware of air, which was mindful of sea, which shared things with sun. Every element lived in harmonious relation with its neighbour, and all was kith and kin. I knelt a mortal; I rose an immortal. I felt like the centre of a small circle, coinciding with the centre of a much larger one. Atman had met Allah."

When Pi's father decides to leave India and move to Winnipeg, Canada, he closes the zoo and arranges to distribute its inhabitants to

other facilities. The family and some of the animals board a Japanese cargo ship. Then the unexpected happens, and the boat sinks in the middle of the Pacific Ocean. Pi makes it to a lifeboat where his only companions are a zebra, a hyena, an orangutan, and a Bengal tiger named Richard Parker. The sixteen-year-old boy watches horrified as the war begins for supremacy between the animals. In the end, of course, just he and the tiger are left.

Luckily, the lifeboat is stocked with survival supplies and a detailed survival manual. Pi sets up equipment to collect water, learns to fish and catch turtles, and makes a raft for those times when he needs to stay some distance from Richard Parker. Everything he has learned about animals serves him well. In shark-infested waters, with no land in sight, Pi attends to the needs of the 450-pound tiger. This section of Martel's phantasmagorical novel is absolutely enthralling, a true adventure where Pi's physical prowess, intellectual courage, and spiritual perseverance are all tested. At one point, he observes: "For the first time I noticed — as I would notice repeatedly during my ordeal, between one throes of agony and the next — that my suffering was taking place in a grand setting. I saw my suffering for what it was, finite and insignificant, and I was still."

Throughout his journey, Pi practices religious rituals — "solitary Masses without priests or consecrated Communion hosts, darshans without murtis, and pujas with turtle meat for prasada, acts of devotion for Allah not knowing where Mecca was and getting my Arabic wrong." But these provide a stay against despair and loneliness and his grief for his lost family. The worst enemy is fear. He observes:

"It is life's only true opponent. Only fear can defeat life. It is a clever, treacherous adversary, how well I know. It has no decency, respects no law or convention, shows no mercy. It goes for your weakest spot, which it finds with unerring ease. It begins in your mind, always. One moment you are feeling calm, self-possessed, happy. Then, fear, disguised in the garb of mild-mannered doubt, slips into your mind like a spy."

Through the story Martel provides overviews of animal behavior,

survival at sea, the limits of reason, and a boy's coming of age. The novel is a work of spiritual adventurism, an expression of mystical awareness. During his long stay aboard the lifeboat with the Pi is scared that the animal will eat him. Then he tries to keep the tiger happy with food. Pi notes: "My greatest wish — other than salvation — was to have a book. A long book with a never-ending story. One I could read again and again, with new eyes and a fresh understanding each time. Alas, there was no scripture in the lifeboat."

The story ends with Pi landing on the shores of human civilization and very soon the insurance company staff arrive to interrogate the lone survivor of the wrecked ship. They are unwilling to believe Pi's story; they are in search of facts which will prove scientifically the actual cause of the accident. Nevertheless, they are convinced about the storm and are happy to leave Pi with his dream like reality.

The story carries a tinge of postmodern faith where humans make compromises between the crude existential reality of computer generated simulation and belief in extra terrestrial beings. The quest of Pi becomes a quest similar to that of the holy grail. Pi's journey on sea is yet another metaphor for the unstoppable struggle of the human self for recognition from the supernatural. It a journey of self discovery which has been the dominant motif of many Biblical and other theological narratives. In the context of the 21<sup>st</sup> century where technology and technological rationality seems to overwhelm superstition; the story of Pi makes an attempt to reestablish faith by inverting the logic of science to make the impossible possible.