

GOOD GOVERNANCE



Good Governance:

EMERGING ISSUES, PRINCIPLES, POLICIES & PRACTICES
IN
**GOVERNMENTS, BUSINESSES & SERVICES, CORPORATIONS,
UNIVERSITIES, CO-OPERATIVE SOCIETIES, HOSPITALS & NGOs**

Editors:

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PROLOGUE

Good Governance: The Key to Development and Progress

NEED for INTENSIVE STUDIES and RESEARCH on issues of GOVERNANCE



“GOVERNANCE is the exercise of political, economic and administrative authority to manage a nation's affairs. It is the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences.”¹ However good governance is required not only from governmental authorities, it is also required from the executive officers of businesses, industries, universities, hospitals and NGOs.

Today it is recognized that governance in businesses, industries, universities, hospitals and NGOs affects the society in multifarious ways. A mis-governed University system may steal years of a young person's life by providing negligible learning outcomes to its students. A mis-managed hospital may provide a service which may cost heavily and which may infect its patients with new diseases, while treating them for their ailments. A business or an industry may focus on profiteering to the exclusion of good service, ethical behaviour and a sense of responsibility to the citizens, who may have a stake in it. A large multi-national may organize its working in such a way that it does not have to contribute to the revenues of any government, thus becoming a burden on the rest of the tax-payers. A large media conglomerate may stop listening to its readers and may start offering its views as news. Such mis-governed entities, once these acquire a disproportionately large size, may not suffer financially for decades after these have lost all credibility in the eyes of all knowledgeable observers.

However in a democratic milieu, a government has got to be accountable at least every few years. Where the citizens are not entirely motivated by identity, a poor record of governance may lead to loss of power. A democratic system works well, only when the civil society institutions are well governed and are strong and independent entities. Thus on the one hand the strength of civil society institutions leads to better working of democratic institutions, the paralysis or mis-direction of the civil society institutions can lead to major damage to the society.

In a democratic structure, good governance requires a commitment to the progress of the society and a passion for change. In developing societies, which had been left out of the renaissance and the industrial revolutions during the last few centuries, good governance can be delivered by rulers, who have a sense of pride in belonging to the society. Well-meaning rulers, who may have a great deal of pity and sympathy for the deprived, may start big soup-kitchens for the society. But they may not be equipped to provide good governance. One can accept the inconvenient constraints, which structures of good governance impose on the rulers, only when they have empathy and respect for the ruled. The businesses, industries, universities, hospitals and NGOs can be well-governed when these are autonomous, when these are blessed with good leaders and when these are well-regulated by the government. However while good regulation may be able to avoid a breakdown, good governance at businesses, industries, universities, hospitals and NGOs can only be fostered by a visionary political leadership through harmonious working of various entities. In Gujarat this process of building non-political civil society institutions was started by our nation's leadership during the long struggle for independence. An era of good governance at the governmental level in Gujarat is creating the environment, wherein we can work to make our businesses, industries, universities, hospitals and NGOs more accountable and responsible to the society, even as these become larger and intrinsically more powerful.

This conference is being organized by Gujarat Technological University (GTU), the largest University in the State of Gujarat. Most of the Universities in India are successors of the three Universities, established by East India Company in 1857, after it had established its rule in the Indian peninsula, including Sri Lanka (1815) and Myanmar (1824). As of today, GTU shares the campus with Indian Institute of Technology (IIT), Gandhinagar, which belongs to another group of Higher Educational Institutions. These institutions were created in accordance with the recommendations of the Nalini Ranjan Sarkar Committee, set up in March 1946 by the Viceroy's Executive Council at the instance of Sir Ardeshir Dalal and Sir Jogendra Singh. The IITs were modelled on Massachusetts Institute of Technology, USA. According to QS rankings of 2012 while five of the IITs were placed at ranks 212 (Delhi), 227 (Bombay), 278 (Kanpur), 312 (Madras) and 349 (Kharagpur), none of the Indian Universities could find a place in the top 400 Universities of the world. In spite of the work of many Vice-Chancellors, Directors of Higher Education, Secretaries and Education/ HR Ministers and the work of University Grants Commission (1956) during the last 57 years, our Universities have not succeeded in creating an environment, where Indians may be able to contribute to the worlds of ideas, philosophies, science or technology in a significant way, commensurate with our population of 120 crores in a world of about 708 crore human beings. While the role of the academic leadership, the scholars and the researchers and the respect for knowledge in our society may all have contributed, in different measures at different times during the last 156 years, to the state of higher education today, the systems of governance may have played a major role in keeping the growth of higher education stunted. I hope that this conference will lead towards studies in the issues of governance at Universities, hospitals and NGOs besides the usual studies of governance at corporate and governmental levels.

Dr. Akshai Aggarwal

10th April 2013

PREFACE



Prof. Bharat C Dalal

[Honorary Director, *GTU's Post- Graduate Research Center for Governance Systems in Businesses, Industries, Universities, Hospitals, NGOs and Governments* & Management Consultant, Founder Professor of IIM Ahmedabad]

Good governance has become a popular phenomenon now-a-days. Basically this topic has gathered a wide spectrum all over the world. Everyone talks about good governance, but how do we know when we have it?

Tackling some of the biggest questions of the contemporary era – What is good governance? Where does it come from? How can it be measured and how does it matter? – this praiseworthy initiative of the university will provide practical insight and will, perhaps, prove invaluable and a driving force not only to academics, but policy makers alike in the direction of improving public policy and public administration and, ultimately, people's life, thereby promoting good governance.

In all societies, the quality of government institutions and other bodies/organizations is of the utmost importance for the well being of its citizens. Problems like illiteracy, high infant mortality, lack of access to safer water, unhappiness, starvation, poverty etc. are not primarily caused by a shortage of funds, lack of technical equipments, effective medicines or other types of knowledge or competencies. Instead the critical problem is that the majority of the world's population lives in societies that have dysfunctional government institutions. Therefore, wide range of sub-themes have been included for the Conference and central issues to be discussed will focus on : how can good governance be conceptualized and measured, what are the effects of bad governance and how can the quality of governance be improved.

This proceedings booklet has been prepared as public information and advice to government agencies to promote public education in various areas of governance and others to encourage and motivate the people concerned with business, industries, service sector, non-profit organizations, hospitals, charitable trust, etc. in fostering good governance.

The conference is one of the most innovative activities of GTU and its main objective is to provide a single platform to the students, academicians, researchers, policy makers, administrators from government organizations, professionals from the corporate world and experts from various walks of life to interact and exchange their mutual knowledge, ideas and share practical experiences.

The conference organised in a shortest time has overwhelming response and attracted submission of more than 70 papers consisting of 50 full texts of research articles/papers and over 20 abstracts of the papers on different sub themes of the conference.

We are grateful to Dr. Akshai Aggrawal, Hon'ble Vice Chancellor, GTU for providing an opportunity to assist the university in organizing the conference and encouraging and providing valuable guidance to us in our endowers. We would like to thank the members of National and Internal Advisory Committees of the conference, Dr. Gitesh Joshi-Registrar and other staff members of GTU for supporting us.

We would also like especially thank the management of SAL Institute of Management, Ahmedabad for providing infrastructural and logistic support for preparatory work of the conference and faculty members and administrative staff for working so hard and providing whole-hearted support in organizing the conference.

We extend a warm and hearty welcome to invited guests/experts and all the delegates and wish them exiting, inspiring and enjoyable conference at GTU.



CSR PRABHU

DEPUTY DIRECTOR GENERAL
NATIONAL INFORMATICS CENTRE
GOVERNMENT OF INDIA, MINISTRY OF COMMUNICATION
AND INFORMATION TECHNOLOGY, NEW DELHI

MESSAGE

It is my delight to note that the Gujarat Technological University has taken the initiative to organize the first International Conference on Good Governance at Ahmedabad. Gujarat being the leader in development models and Good Governance in the whole country today, it is most appropriate that this Conference is conceived and being executed by Gujarat Technological University, Ahmedabad, Gujarat.

The country needs Good Governance more than anything else today, given the problems of resource constraints such as water and power on one hand and social disparities on the other. Inclusive growth can be achieved only through Good Governance aided by e-Governance.

The Gujarat model of Governance with round the clock and non stop power supply and water supply along with transparency and timely responsiveness of the Government to the needs of the people, especially at the bottom of the pyramid is going to set an example for all other States which lack these facilities.

I wish all the best and great success for this Conference.

(C.S.R.PRABHU)



Dr. Charles M. Savage
President and Mentor
Knowledge Era Enterprises, Inc.
Germany

MESSAGE

When we are confused, uncertain and insecure, it is difficult to make the right decisions, as we all know.

Our Industrial Society has created an educational and working environment that never really challenges us to grow from within, but delights in our insecurity and uncertainty. This feeds the necessary consumptionism.

In our educational world we “teach by telling” about the KNOWN so the students can pass the courses and get the necessary grades to fit into the little BOXs of the Industrial world. What if our universities, colleges and business schools became true “Learning Communities” where we explore as much the UNKNOWN together? In this way, our students become “learning colleagues” in an open and reflective process of discovery. And this allows and encourages them to put together their thinking, feeling, intuiting, imagining, remembering and anticipating in a very dynamic way.

My guess is that when we've begun the process of interconnecting our inner processes, will begin to have the wisdom to bring Good Governance into view.

As India has such rich traditions, I'd like to explore how your key themes can be brought together to help not only yourselves, but us all to connect more within so that our outer actions make Good Governance possible.

So in my presentation at the launch of the Good Governance Center I'll be reflecting with you all on the dynamics and the interconnecting of Purusartha, OM, the Yogas of the Gita, the Gunas, **DharmaYoga** and the interplay between the KNOWN, the UNKNOWN and the UNMANIFEST.

Thanks,

Dr. Charles M. Savage



Dr. Shailesh Thaker
Honorary Director,
GTU's Post- Graduate Research Center
for Business Ethics and CSR
Management Guru - CEO at
Knowledge Inc. Ahmedabad

MESSAGE

As you all know, in the management of every society, politics is what the heart is for human. If the human heart is corrupted, the rest of the body is also automatically corrupted. This goes the same way with politics: when principles of good governance are abused, we assist to a total collapse of the society, which furthermore will be characterized by corruption, the emergence of some values decay, of favouritism, intolerance, clientless... in a nutshell to the establishment of a honest and peaceful society. All efforts undertaken for the sake of developments ended up in failure. Multiform, profound and persistent economic and social crisis have finally swept everything away. Why we are facing brain drain situation. Why we are living in most confuse and complex society. Why we are focusing on life style instead of living? Why even after strong wish we do not have pure and honest society? Why this chaotic situation is continues?

This is why, considering its importance, the Good Governance is today at the heart of new consensus on development, at the heart of multilateral and bilateral cooperation; and constitutes an important and crucial question of cooperation programs in civilized and socialized world. What mechanism you need to develop? Why we need to pointing finger to others? Why we are steel living in the world which we all hate by heart? Why we all are steel at theory level? By this fact, no society can mature self contained, this is why **the Action and Good Governance** will make sure as development agent and will consequently respond to what?

We all are an agent of Good Governance development. We should not wait for situation that who will come first and start good governance. Time has come that e should focus on nation first instead of self first. I would like to particularly emphasize on the political socialization of bad governance victims. It aims development while putting the man at the peripheral centre as its development agent. This is why; **the Action and Good Governance** will apprehend socialization as its leading edge activity in order to form a public opinion on Good Governance indicators to allow the man to take charge of himself. The **Action And Good Governance** will expose solution tracks in view of providing guidance to political role players of affected societies towards Good Governance while asking from them to be attached and be moved by the neighbor's love, sharing and justice.

On the same note, the Good Governance that we are so earnestly defending is perceived by some African heads of states as an “uncomfortable conditionality” sometimes as an “interference in their internal affairs”; this manner to see and apprehend the implementation and control of Good Governance for the development of societies; is only a manifestation of what can be done by a primary selfishness. These statesmen only talk about interference when they really want to see on how international aids are managed. But when they negotiate the acquisition of these international aids, with stained diplomacy of Good Governance; they don't talk about interference; what selfishness? In the humanization of the planet, interference is a vain word.

For such a humanitarian objective to be translated in practical terms and to results in multiform concretization, not only there is a need within the association **Action And Good Governance**, men and women coming from different political, social, religious, cultural, racial tendencies...; credible, generous and capable men and women to spread the message of development which is Good Governance; but also and especially of your moral, material as well as financial support.

Please find in the **Action And Good governance**, the appropriate framework allowing you to give free flow to your treasure of generosity which has not been exploited for a long time. Place living and existence conditions which will give him a sense of belonging to a human community. And this is only possible by respecting requirements and principles of Good Governance.

May the Action and Good Governance Live?

I thank you.

Dr. Shailesh Thaker



Mr. Kaushal Mehta
*CEO,
MOTIF India, Ahmedabad*

MESSAGE

I am extremely happy to know that Gujarat Technological University (GTU) is organizing a Two-Day International Conference on the theme “Good Governance” during April 19-20, 2013 at its newly constructed campus in Chandkheda, Ahmedabad and that the Conference's proceedings are being published in a booklet form on this occasion.

Responding to the current trends and fast changing scenario in the context of governance, at global level, the theme selected by the university is appropriate and very relevant. In to-day's world, everybody wants good governance. It is becoming a thrust area of interest for everybody and even our governments are according top priority to promote good governance in improving policies and public administration. Keeping this in view, I am sure, the Conference will provide an unique opportunity to the students, faculty members, professionals from corporate sectors, experts from the field and others involved in governance of their respective enterprises/organizations to come together on a common platform and debate and interact on the chosen subjects. The aims and objectives of the event are laudable.

I hope the professionals and experts participating in the Conference will discuss all aspects connected with day to day management through good governance in multiple areas of human settlement and make suitable recommendations to the authorities concerned for implementation.

I sincerely congratulate the GTU for launching this pioneering initiative and wish the Conference all success.

Kaushal Mehta



Mr. Milind Kulkarni
(IIM-A 1987)
Director and Chief Risk Officer
Societe Generale - India

MESSAGE

Inclusive growth is key to improvement in living standards of millions of the underprivileged. Lot of efforts were initiated in past few decades to ensure that the fruits of nation-wide economic development are enjoyed by the masses. In early Eighties, concrete measures were adopted through Schemes such as Integrated Rural Development Program and Command Area Development Program to generate self employment opportunities for the rural poor. It did show positive results over the years.

Post 1991, we have strengthened our efforts to embrace, globalization . This resulted in improving, our competitiveness , particularly in Manufacturing and Software Development. It also led us to path of rapid Economic Development in the first decade of this Century.

The recent national and worldwide events, however indicate that mere GDP growth or increase in Per Capita Income are not adequate parameters to measure overall economic development.

Unless the Economic Development is accompanied by the inclusiveness, the social fabric will remain distorted. Sustainable economic development is possible only through an inclusive growth. One of the most important prerequisite, for such sustainable inclusive growth including improvement in basic infrastructure is the good governance.

Good governance could be split into two categories: a) Self Governance whereby all of us strive to nation building in the domain of our own walk of life. And b) Systemic Governance , which is based on properly laid down policies and procedures ,further fortified by meticulous implementation.

Economic Development leading to satisfactory inclusive growth is thus possible only through Self Governance and Systemic Governance.

Hope, the deliberations at the Seminar will focus on all such issues, with particular emphasis on the Financial Sector.

(Views expressed are strictly personal .)

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“e-BHARATH 2020: A VISION OF FUTURE e-GOVERNANCE”

BY

Prabhu CSR
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National Informatics Centre
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Abstract

The National e-Governance Plan (NeGP) (1) is being implemented for several years all over the country. The current NeGP has its own strengths as the first well organized plan of the Govt. of India for both Central and State level e-governance Projects. 27 Mission Mode Projects (MMPs) of NeGP had seen their partial successes. However, many additions such as Stakeholders Needs Analysis, Project Planning and Management, Process Reforms and Reengineering could be identified, especially in the context of technology developments such as the ubiquitous mobile phone penetration calling for mobile applications, new technologies such as SOA (Service Oriented Architecture), Grid, Cloud, Big Data Analytics and Enterprise Architecture techniques for deployment in e-governance.

In this article, we have proposed the need for further evolution of NeGP, i.e. to **eBharath-2020** comprising of following 12 steps.

Step1. Perform survey and stakeholder needs analysis for

(a) Needs of Citizens at Rural and Urban Areas

(b) Needs of Businesses (SME's and Large Industries)

(c) Needs of Govt. Employees at state and central levels

Step2. Based on the above Survey and Analysis , perform needs based large scale e-Governance Project Planning for service

delivery through mobile phones, making the mobile phone the centre of service delivery given the great revolution in telecommunications resulting in large scale penetration of the mobile phone in rural as well as urban areas with examples as follows:

m-biometric identity authentication (along with digital signature and Unique Id integrated into mobile phone)

m-health (mobile based tele medicine and health consultancy)

m-education (mobile based virtual education classrooms in local languages at all levels)

m-agriculture (mobile based agri extension advice and monitoring, management and sale)

m-elections (mobile based online voting based on authentication)

m-rural development (various rural development projects based on mobile)

m-panchayat (panchayat services delivered on mobiles)

m-gram bazaar (linking rural producers with urban consumers using mobiles)

etc etc (many more such mobile applications can be identified)

The ubiquitous mobile phone will have to be made the centre point of delivery of all Services – not just e-governance certification services but core services which impact daily life as Health, Education, Employment, Agriculture, Commerce, etc., have to be developed.

Step3. Enact the dedicated e-governance Act, with compulsory process reform and reengineering with maximum efficiency using Lean Six Sigma (2) processes (most efficient) involving values (Dharma) of principles of Justice, Equality, Transparency, Accountability and Responsiveness to citizen needs. A ‘Think Tank’ advisory group and R&D centre/Institute comprising representatives from Government, Comptroller and Auditor General of India (CAG),

Judiciary, Legal Experts, Academia, Civil Society and Industry can be formed to give advice to help formulate this Act. The present Electronic Services Delivery Act which has no compulsory process reform and reengineering needs to be expanded towards these ends. Process Reform and Reengineering based on Lean Six Sigma has to be made compulsory to achieve the most efficient process with no wastages and ensuring least cost and least time. A high power committee comprising the Political Establishment, Comptroller and Auditor General of India (CAG), Law Department, Prime Minister’s Office and Project Monitoring experts may monitor and ensure the implementation of the Reforms as formulated in the e-Governance Act.

Step4. Perform reengineering of Government Processes on compulsory basis based on the above, using Lean Six Sigma Principles (most efficient) based on the e-Governance Act. A composite team comprising members from NIC, DIT, Six Sigma Consultants (including BPR specialist) along with line Ministry/Department of Government may drive the process reform and reengineering.

It is proposed that the reengineering / reform provisions of Electronic Services Delivery Act 2011 be made compulsory.

Also enhance the Land Reforms with geospatial mapping of the entire country.

Step5. Perform Re-engineering of Judicial Processes based on the above e-Governance Act, using lean Six Sigma Principles (most efficient). The scope of terms of e-committee of Judiciary may be enhanced to include process reform towards efficiency and integration of Judiciary with Jails, Transport and Police systems. Judicial pendency has to be aimed to be minimized and if possible be eliminated by the appropriate Process Reforms in Judicial processes and procedures.

Step6. Perform Re-engineering of Election Process on compulsory basis based on the above e-Governance Act, using Lean Six Sigma Principles (most efficient). The internal reform/reengineering group of Election Commission may be engaged along with Six Sigma and BPR Consultants and legal experts to identify the least time and least cost methodology for conducting Elections Online and completing the result processing, Online.

Step7. Perform Re-engineering of Legislature Process on compulsory basis as based on the above e-Governance Act, using Lean Six Sigma Principles (most efficient). The internal Secretariat of Parliament and Secretariats of State Legislature bodies may execute Process Reforms with help of NIC, DIT and Six Sigma Consultant (including BPR specialist).

Requisite impetus can be given for 4,5,6,7 steps above to be implemented by the concerned Government Departments several times, iteratively, beginning with the presently existing status of Mission Mode Projects, with the help of NIC through Workshops and Training Programmes on Lean Six Sigma methodology to all the stakeholders in various Departments of the Central and State Government, Judiciary, Election Commission and Legislature bodies. The concerned Stakeholders in the Government are required to be adequately trained and motivated towards Process Reforms in the interest of efficiency. After such training they may be asked to implement Process Reforms and Reengineering based on Lean Six Sigma. Several such rounds of reengineering and reforms iteratively will result in the evolution of significant modernization comparable to advanced nations.

The Comptroller and Auditor General of India (CAG) may be involved in auditing and maintaining effective implementation of the Reforms according to the above e-Governance Act.

Step8. Identify Processes (after completing reengineering and reforms as above) for all the sectors and identify Services using Service Oriented Approach (SOA) as for life cycle of Citizens - different services for life as Birth, Education, Employment, Marriage, Health, Retirement and Pension.

Step9. Develop Web Service Repositories according to the above for Central, State and District levels of the government and also for Judiciary and Legislature. These web services will be ensuring interoperability of Information Systems of various Mission Mode Projects.

Step10. (a) Implement the e-governance Grid/Cloud Architecture (5, 6) on the National Information Infrastructure at IaaS (Infrastructure as a Service), PaaS (Platform as a Service) and SaaS (Software as a Service) levels using SOA (Service Oriented Architecture), with Web Service Repositories at Central, State and District levels (5). (b) Implement EA (Enterprise Architecture) for SaaS (Software as a Service) layer with Single Window for all Government Services (e-Sarkar). The

National Information Infrastructure (NII) and the National Knowledge Network (NKN) can be used as the backbone infrastructure for implementing the Grid and Cloud for e-Governance utilizing the Data Centres all over the country. Sectoral databases may be integrated into Data Warehouses and Big Data Analytics be adopted on the data.

Step11. Plan and implement integrated e-governance (e-Sarkar), e-Judiciary (e-Nyaya), e-legislature (e-Vidhan) and e-Democracy.

Step12. Finally fully integrated single window e-Bharath 2020 covering all areas as above.

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THEORY OF PLANNED BEHAVIOUR – CONSTRUCTS FROM INDIAN ETHOS FOR IMPROVING PREDICTION OF BEHAVIOUR IN A SOFTWARE IMPLEMENTATION

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Abstract

Technology is a driver for any transformational change in public sector or private sector organizations. Good governance involves transparency in all actions and technology helps in achieving this transparency. Success of any software implementation in an organization depends on the willingness of people to accept and use this software. Most vendors focus on technology aspects of implementation. People issues are not completely addressed in any software deployment methodology.

This paper looks into the relevance of the theory of planned behavior model (TPB) in an Indian context. This research study suggests that additional constructs including the conative aspects of attitude from karma yoga elements and the Indian personality element of Gunas in the theory of planned behavior model improves the predictability of end user behavior in a software implementation.

The results of this research study suggest that these new constructs from Indian ethos can be considered for addressing people issues in a more holistic way in software deployment methodologies.

Keywords

Willingness to change, Planned Change, Software methodology, Theory of planned behavior.

Introduction

The success of any software implementation depends a lot on people adopting and accepting this new process and technology. Many times, delay or failure in software implementation is attributed to “Resistance to change” from people in the organization. Resistance can be a creative outburst and principled to get more from the system. It is an indication of a healthy mechanism at work. Unknown, unanticipated, unaddressed resistance may not be desirable. A poor implementation process of software can also lead to resistance. Understanding the willingness to change is also important, as this is an indicator of software acceptance in the organization.

Literature Review

People, Process, Technology and Leadership are the major factors to consider for a successful software implementation. People issues were the most important factor for success of software adoption in an earlier study done with automotive companies in India implementing product lifecycle management software (2009).

Theory of Planned Behaviour

The theory of planned behaviour (TPB) model was proposed by Ajzen in 1991 and has been used by researchers over the past twenty years and shown to be able to predict a variety of intentions and behaviours. This theory was proposed to account for conditions where individuals do not have complete control over their behaviour.

According to Ajzen (1991), a person’s action is determined by behavioural intentions, which in turn are influenced by an attitude towards the behaviour and subjective norms. In addition to attitude towards the behaviour and the subjective norm in the theory of planned behaviour, perceived behavioural control can influence intention as well. Perceived behavioural control influences the individual’s decision through behavioural intention. In the TPB model behavioural intention is the most influential predictor of behaviour. Behavioural intentions are factors that describe how hard people are willing to try to perform a behaviour (Ajzen, 1991). Attitudes toward use (ATU) guide behaviour and are defined as the way individuals respond to, and are disposed towards, an object. This disposition may be negative or positive. Subjective norm (SN) is defined as one’s perception of whether people important to the individual think the behaviour should be performed.

In the TPB model, Ajzen discusses the aspects of Attitude, Subjective Norm, Perceived behaviour controls, Intention and Behaviour as the 5 aspects towards understanding the aspects of planned behaviour.

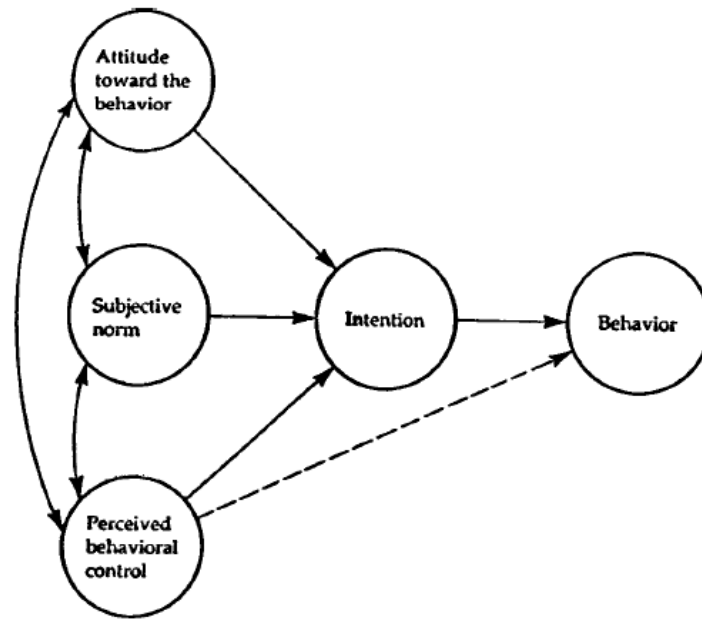


Figure 1: Theory of planned behaviour

Source: Ajzen , 1991

This TPB model takes into account the social and personal control factors of behaviour. This model has therefore been researched in the use of information technology adoption, especially where individual behaviour is in focus for acceptance.

The primary criticism of this model has been on the components of subjective norm.

The role of subjective norm as a determinant in Information Technology usage is somewhat unclear. Neither Davis et al. (1989) nor Mathieson (1991) found a significant relationship between SN and BI. However, these results may have been due to the fact that there are no real consequences associated with the behaviour under study and little external pressure to perform the behaviour (Davis 1993).

The IT Literature shows that PBC may be an important determinant off usage. In a direct test, Mathieson (1991) found that PBC did have a significant relationship with behavioural intention, though it did not provide substantial explanatory power.

The relationship between the belief structures and the determinants of intention (A,SN, and PBC) are not particularly well understood (Ajzen 1991). This is due to two factors. In the TPB , the belief structures are combined into uni-dimensional constructs. Such monolithic belief sets may not be consistently related to attitude, subjective norm or perceived behavioural control (Bagozzi 2007). It is also difficult to operationalize from an empirical setting (Taylor and Todd 1995).

Despite all these limitations the TPB Model is very effective when the human behavioural aspects are considered for the acceptance of information technology.

Attitude constructs

Attitude is a multidimensional construct consisting of Cognition, affect and conation. (Rosenberg and Hovland (1960), Ajzen (1991)). Cognition is a group of mental processes that includes attention, memory, producing and understanding language, learning, reasoning, problem solving, and decision making. It usually refers to an information processing view of an individual's psychological functions. Affect refers to the experience of feeling or emotion. Conation refers to any natural tendency, impulse, striving or directed effort of an individual.

A closer study of the literature indicated limited study involving all the aspects of attitude in a technology acceptance related model. The most common aspects included in the study are cognitive and affective elements. Research on elements like personality and conation in technology acceptance has been limited.

INDIAN ETHOS

Vedic Indian literature contains knowledge about all fields of human endeavor, from physics and psychology to medicine, art and aeronautics (Goswami 1977). Indian Philosophy is internally focused and human centered. The foundation for this philosophy is succinctly summarized in *Bhagavad Gita* which is a part of the epic Mahabharata.

Bhagavad Gita has been studied, contemplated and researched by many hindu sages and interpretations for personal development have been made by many. These scriptures are very recognized for their element of teaching on self control, self management and regulation.

In recent years, a lot of articles and research study has been done towards understanding *Bhagavad Gita* and its application to modern management topics.

M.P. Bhattathiri (2008) has written many interesting articles on applying lessons from *Bhagavad Gita* to management. His articles compare the Western management philosophy with the holistic attitude of "lokasangraha" from *Bhagavad Gita*. Venkat Krishnan (2001) studied the characteristics of transformational leadership and why Indian philosophical approaches are needed in management.

Ancient Indian texts of philosophy are called Vedas. Bhagavad Gita has been traditionally considered as a text for personal excellence and is often viewed as a summary of the vedic literature. They address the aspects of conation very well. Concepts of Karma Yoga, or the excellence towards action and Gunas or the Indian concept of personality are well discussed topics in ancient literature. The word 'karma' comes from the Sanskrit root kri, which means doing, affairs or activity and includes all actions that a person performs whether they are of body, speech, or mind.(Krishnan 2009). The word 'yoga' comes from the Sanskrit root yuj, which means to join. It is a special skill, device, intelligent method, or graceful way of performing actions (Bhagavad Gita, chapter 2, verse 50).In the context of this study, Karma yoga would mean a technique for intelligently performing actions. Venkat Krishnan (2001) studied the characteristics of transformational leadership and why Indian philosophical approaches are needed in management. Mulla and Krishnan (2006a) identified the dimensions of Karma Yoga using a contemporary version of the Bhagavad Gita (Gandhi, 2001). The Karma yoga scale inventory consisted of 3 dimensions, namely Sense of duty or obligation to others, Absence of desire for rewards, Equanimity of opposites. According to the *Vedas*, all material elements on this earth are permeated with the modes of nature, or *gunas* namely, *sattva*, *rajas* and *tamas*. Dasgupta (1961) describes the *gunas* as “the universal characteristics of all kinds of mental tendencies”. David Wolf (1999) made a psychometric analysis of the three *gunas* and developed the *vedic* personality inventory (VPI) an instrument that assesses the validity of the three *guna* constructs.

Theory of planned behavior with constructs from Indian ethos

The Theory of planned behavior model was tested with 225 users of Product lifecycle management (PLM) software in India. Questionnaires were administered electronically and their behaviours analysed. The TPB Model was made in AMOS IBM SPSS V21 and the statistical results were generated. The following hypothesis was tested statistically.

H0: The Original TPB model is a good fit, for predicting behaviour of individuals using PLM software in India.

HA: The Original TPB model is a NOT a good fit, for predicting behaviour of individuals using PLM software in India.

The Chi Square statistical result reported was

Result (Default model)

Minimum was achieved
Chi-square = 49.315
Degrees of freedom = 8
Probability level = .000

Figure 2

Source: AMOS Output

As the significance level is below 0.001, the null hypothesis was rejected and the alternate hypothesis was accepted

New constructs were defined for conative elements in attitude using the karma yoga index . The existing karma yoga inventory of Venkat Krishnan (2008) was used for karma yoga index. For the personality elements the existing vedic personality inventory from David Wolf (1998) was used. The modifiedTPB model with Indian constructs was statistically tested.

The regression results from the study done with the 225 users in India showed the following results in figure 3

Regression Weights: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
RESISTANCE <--- TAMAS	.523	.124	4.204	***	
RESISTANCE <--- RAJAS	.324	.133	2.430	.015	
RESISTANCE <--- SATWA	.138	.135	1.025	.305	
INTENTION <--- CONATIVE	.152	.033	4.541	***	
INTENTION <--- RESISTANCE	-.045	.019	-2.404	.016	
INTENTION <--- COGNITIVE	.123	.072	1.695	.090	
INTENTION <--- Affective1	.183	.103	1.780	.075	
BEHAVIOUR <--- INTENTION	.502	.123	4.064	***	
BEHAVIOUR <--- RESISTANCE	.106	.032	3.306	***	

Figure 3: AMOS Model output

Source— Research Author

As seen from this regression test there is statistical significance, for the impact of Tamasguna on Resistance, Conative aspects on Intention, Resistance on behaviour and Intention on Behaviour as the P values are below 0.001.

A detailed look at the model fit summary, from the statistical study shows

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.060	.000	.102	.320
Independence model	.204	.180	.229	.000

Figure 4: AMOS Model – Goodness of Fit

Source– Research Author

Looking at the results for model fitness, we can infer that this model is a good fit.

The RMSEA value of 0.60 , is below the 0.70 level, indicates that the model is a good fit.

This study therefore concluded that the modified TPB model with new constructs of Karma Yoga and Gunas is a good fit for predicting behaviour of users in a software implementation in Indian context.

Areas of Future Research

The results from this study indicate that elements from Indian ethos can be used to predict behavior of users towards adoption of software in an organization in India.

Spiritual intelligence is a growing domain of study today and many Indian philosophies seem to address this domain. Future studies on applying spiritual intelligence to various other management issues like change management and change resistance in an Indian context may also be considered.

With the growth of internet and easy access of computing devices like tablets, information technology has moved into a completely new phase of study. Understanding the intrinsic value of individuals and their acceptance to use technology has many dimensions. Country specific cultures and their impact of technology effectiveness also need to be researched.

A need for a more holistic approach to software implementation with consideration of human issues in adoption is a growing amongst software vendors. This is seen as a critical success factor for many software organizations, as a successful adoption of software will lead to a larger market share for software products.

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“MEASURING THE IMPACT OF GOOD GOVERNANCE PARAMETERS ON PROFITABILITY OF PUBLIC SECTOR BANKS IN INDIA: A STUDY”

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ABSTRACT:

“The present study builds on line of research by providing an analyse on the impact of corporate structure mechanism on performance of public sector banks in India”. We even focus on the comparative analysis of corporate governance among these banks. We show that such governance mechanisms as Size of the board, Size of outside directors on the board, Number of meetings, Board Committee etc and the dependent variable is considered to be the total Net profit of the Bank. We examine whether banks with stronger corporate governance mechanisms were associated with higher profitability. We have examined variables by using statistical tools like correlation and multiple regression analysis. Corporate governance and regulations could be a major factor to bring a revolution in banking operations; here we are analyzing the beneficial impact of corporate governance.

Key Words: Corporate Governance, Bank performance, Public sector banks

I. INTRODUCTION

Corporate Governance mechanisms have encouraged the researcher to work on various dimensions as it is a key factor that contributes to the organization. The research focusing on how these mechanisms can prove to be an important factor contributing to the profitability of Indian public sector banks. The Basel Committee in banking supervision had thrown some light on why corporate governance of bank require handsome amount of attention by stating “Good amount of corporate governance is necessary to guarantee a sound financial system.” That is the reason why banks have updated their corporate governance mechanisms over a period of time. The main purpose of this paper is to find the Impact of corporate governance mechanism on Performance of Indian public sector banks. Considerable empirical evidence suggests that strong corporate governance has positive effects on the firm’s financial performance, market valuation, and stock returns (see e.g., Ammann et al. 2011; Bebhuk et al. 2009; Bhagat and Bolton 2008; Brown and Caylor 2006, 2009; Chhaochharia and Laeven 2009; Cremers and Ferrell 2010; Gompers et al. 2003;

Johnson et al. 2009; Renders et al. 2010).

The remainder of the paper is organized as follows. Section II consists of literature review. Section III focuses on the statistical analysis of eighteen Indian public sector banks. Finally we conclude in Section IV.

II. LITERATURE REVIEW

Thinking from theoretical perspective larger number of board members gathers more human capital, knowledge and experience which help management in better controlling and advising. In reverse case more number of people involved in decision making creates problems like confusion, miss communication and co-ordination as compare to smaller boards. Bigger board will be less flexible and more time consuming. Grove et al in 2011 find a con curve relationship between financial performance and board size of US banks, where as majority of the authors found to have negative relationship between these two factors looking it from the perspective of the disadvantages being more on side of larger board. Sakawa and Watanabel, while analyzing Japanese banking sector found that banks with larger board size underperform (Sakawa and Watanabel 2011). Staikouras et al shows a negative relationship taking in to consideration ROA and ROE for European banks (Staikouras et al., 2007). For non developed countries also Adusei and pathan reported a negative relationship for banks return on equity in Ghana(Adusei 2011, Pathan et al in 2007).

Adams and Mehram in 2008 finds a significant positive relationship during the period from 1959 to 1995(Adams and Mehram, 2008). Belkhir for the sample of 174 bank found the postive relationship (Belkhir, 2009). For non developed countries Kyereboah-Coleman, Bikepe show a positive relation between ROA and board size (Kyereboah-Coleman, Bikepe, 2006).

Another popular element is the type of ownership , where the independent dierectors do not have to depent on CEO's opinion,they are independent of their decisions and so as their reputation. If the poor performamce of the company is the result of independent director then it can damage the reputation of independent directors.So they would be performing better and might be contributing more than director. On the other hand the excessive portion od these directors may spoil the advisory role of directors as they may not have enough information about the company. It may also depend upon the cost of aquiring information about the company. When the cost of information is low, outsiders in board of directors increase their performance.(Duchin et al., 2010).

Many of the research papers and Basel Committe have more of outsiders in the board by

focusing on their advantage of independence. Grove et al. Proves a positive impact of outsiders on return on assets for US Banks. Busta did the same and reported a negative relationship for UK banks, (Grove et al, 2009; Busta, 2008). Rowe et al, concludes that lower percentage of outsiders in the board leads to better performance of banks in China (Rowe et al, 2011). Many authors show a negative impact of outsiders on the performance like Kyereboah-Coloman, Bikepe for Ghanaian Banks (Kyereboah-Coloman, Bikepe, 2006).

As far as Board Committees are concerned many of the institutions now a days focus on having committees like Audit committee, Risk management committee, remuneration committee etc. For better performance of the board. David in the report of World Bank states that company should have at least Audit committee, risk management committee and remuneration committee for the better performance of the board (David, 2007). Kajola examines four corporate governance mechanisms together. (board size, board composition, chief executive status and audit committee). The study found out that the relationship between board composition and the two performance measures (Return on Equity and Profit Margin) is not statistically significant (Kajola, 2008).

III. METHODOLOGY AND ANALYSIS

This section provides information about the methodology, source of data, techniques of analysis.

Samples of study: Public sector banks of India.

Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of India, Bank of Maharashtra, Canara Bank, Central Bank of India, Corporation Bank, Dena Bank, IDBI Bank, Indian Bank, Oriental Bank of Commerce, Punjab & Sind Bank, Punjab National Bank, Syndicate Bank, Union Bank of India, United Bank of India, Vijaya Bank.

Source of data: The paper is purely based on the secondary data which are extracted from the Annual reports of the banks and National stock exchange for various years.

Research hypothesis:

H0: There is no significant correlation between the board size and profitability of Banks.

H1: There is a significant correlation between the board size and profitability of the Banks.

H0: There is no significant correlation between the Board meetings and profitability of Banks.

H1: There is a significant correlation between the board meetings and profitability of the Banks.

H0: There is no significant correlation between the board regulations and profitability of the

Banks.

H1: There is a significant correlation between the board regulations and profitability of the Banks.

Ho: There is no significant correlation between the board composition and profitability of the Banks.

H1: There is a significant correlation between the board composition and profitability of the Banks.

Dependent Variable: Net profit of the Banks are taken as a dependent variable as an indicator of profitability of the Bank.

Independent Variables:

1. Board size: Number of members in the board is taken as board size.
2. Board meetings
3. Board regulations: No of committees is taken as board regulation.
4. Board composition: No of non executive directors are divided by no of total directors to find board composition.

Model Specification:

$$NOP_{it} = \beta_0 + \sum_{all}^n \beta_i X_{it} + \varepsilon$$

Performance_{it} : Net profit of firm I at time t; I = 1,2,..18 Banks.

β_0 : The intercept of equation.

β_i : Coefficients of X_{it} variables.

X_{it} : The different independent variables for corporate governance i at time t.

t : Time = 1,2,.....N (in this study N=180 observations).

ε : The error term.

The above general least square equation with specified variables will be as follow the equation will be:

$$\text{Performance} = \beta_0 + \beta_1 (\text{Board Size}) + \beta_2 (\text{Board meetings}) + \beta_3 (\text{Board regulations}) + \beta_4 (\text{Board composition}) + \varepsilon$$

Data Analysis & Discussion:

Table:1

		Correlations				
		Net_pr ofit	Board_Mee tings	No_of_dire ctors	No_fo_comm itees	Board_compo sition
Net_profit	Pearson Correlat ion	1	.270**	.283**	.053	-.241**
	Sig. (2- tailed)		.001	.000	.516	.003
	N	155	155	155	155	155
Board_Meetin gs	Pearson Correlat ion	.270**	1	.163*	.090	-.215**
	Sig. (2- tailed)	.001		.034	.242	.005
	N	155	170	170	170	170
No_of_directo rs	Pearson Correlat ion	.283**	.163*	1	.174*	-.446**
	Sig. (2- tailed)	.000	.034		.020	.000
	N	155	170	180	180	180
No_fo_commi ttees	Pearson Correlat ion	.053	.090	.174*	1	.277**
	Sig. (2- tailed)	.516	.242	.020		.000
	N	155	170	180	180	180
Board_compo sition	Pearson Correlat ion	-.241**	-.215**	-.446**	.277**	1
	Sig. (2- tailed)	.003	.005	.000	.000	
	N	155	170	180	180	180

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

REGRESSION:

Table:2
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.382 ^a	.146	.123	899.10861	.628

a. Predictors: (Constant), Board_composition, Board_Meetings,
No_fo_committees, No_of_directors

b. Dependent Variable: Net_profit

Table:3
ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20755829.438	4	5188957.360	6.419	.000 ^b
	Residual	121259443.832	150	808396.292		
	Total	142015273.270	154			

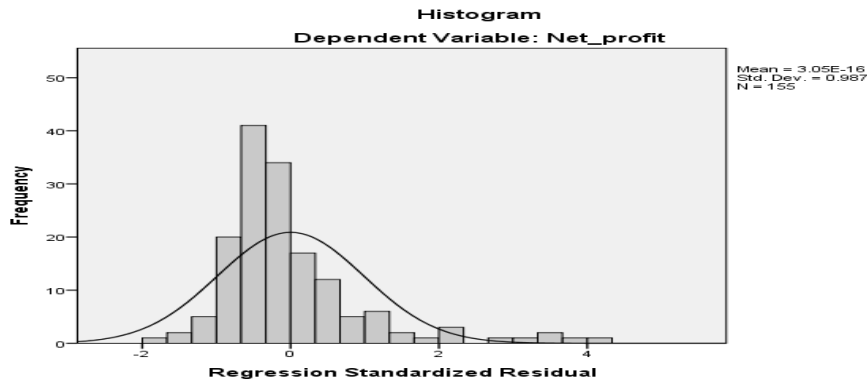
a. Dependent Variable: Net_profit

b. Predictors: (Constant), Board_composition, Board_Meetings, No_fo_committees, No_of_directors

Table:4
Coefficients^a

Model			Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
			B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1387.465							
	Board_Meetings	144.074	.225	2.903	.004			.950	1.053
	No_of_directors	161.670	.196	2.168	.032			.696	1.437
	No_fo_committees	8.145	.025	.298	.766			.822	1.217
	Board_composition	-1186.149	-.119	1.277	.204			.652	1.533

a. Dependent Variable: Net Profit



Results:

Table1 describes the correlation among the variables under study. There is a correlation among Net profit and Board size, Board meeting, Board Composition as their significance value is below 0.05 (Board size: 0.001, Board meeting: 0, Board Composition: 0.003) , so will reject H_0 i.e. There is no significant correlation among these factors. In case of Board committee the value P value is 0.516, so we can not reject H_0 . The Result from this Table would be there is a significant correlation between the net profit and Board size, Board meeting, board Composition where as no correlation with number of Committees. Throwing some light on the correlation values in Table 1, we can see that the correlated variables with net profit are Board size, Board meeting and Board composition and as the values for Board meeting and Board size are 0.270 and 0.283 respectively. It means they have positive relation with net profit. In case of Board composition value of correlation is -0.241, it indicate that there is a negative correlation between net profit and board composition. It means that more number of non executive directors in the board may have a negative impact on firm's net profit.

Table 2 shows the summary of the regression model, which indicates there is a positive relation among these variables as $R=.328$ which indicate there is a positive relationship. To put it in other words, If the corporate governance mechanism is good enough then it can have positive impact on banks performance by 14.6% as the R square indicates in Table 2. We have also checked that there is no multi colinearity among these factors as the VIF values in Table4 are below 10 for all four variables. The Residual statistics as per the graph also indicate that the residuals are normally distributed.

IV. CONCLUSION

After financial crisis of 2008 banks were given more importance as far as economic system is concerned and this strengthens the needs to study corporate governance and banks performance. We analyzed the empirical evidence available for this as well as used statistical tools like correlation and regression on eighteen public sector banks of India and tried to find the impact of Board size, board meeting, Board committee and Board composition on the profitability of the company. By analyzing the data of eighteen banks for 10 years 2003 to 2012 we found that the Board size and board meeting have positive impact on net profit of the bank and Board committee does not have any correlation with net profit of the bank. It means the net profit is not at all affected by the number of committee in the board. As far as the Board composition is concern it has negative correlation on Net profit of the company, it means that most of the banks have more number of non executive directors in the board which has negative impact on banks profitability may be because of the lack of information of bank with them or lack of interest in companies management. The study therefore offers banks important information about their corporate governance mechanism.

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“AN EXCLUSIVE ANALYSIS OF GOOD GOVERNANCE PARAMETERS REQUIRED TO PROMOTE A WORLD CLASS UNIVERSITY”

BY

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ABSTRACT:

Objective: To explore the current Governance Practices in the Indian Universities and come out with the practical suggestions in administering Good Governance for making them the world class University.

Methodology: Exploratory Research Methodology

Implications: The Improvement Measures in the Governance Practice, as far as the University Governance is concerned, shall be discovered by this exploratory research paper. The path of making the Indian Universities as the world class institution for higher learning shall be laid based on the good governance.

Universities, worldwide, are the role model for any higher education and generate the future citizens of the nation. A University should be proven, ideally, a research-intensive international higher education institution, that endeavors to build, progress, prosperous and propagate knowledge, and to extend outstanding alumnae and intellectuals, in order to make a major impact on global society. This shall also incorporate the University's values as the pedestal-initiator to establish and practice the Good Governance and lead this initiation to the real corporate world through their future citizens.

The University has to develop a collaborative relationship with its all stakeholders and works with them to improve the governance practices even at the stakeholders' level. This paper is being investigated and compiled keeping in view of changing economical & technological environment globally. It has tried to study and find the gap between the requirements of Good Governance and present scenario of Governance Practice at the Indian Higher Educational Institutes as well as Universities. This study discusses mainly the following aspects of Good Governance to be devoted in a University Functioning.

1. Matrix of Good Governance in University
2. Proposed Mission and Policy of Good Governance in University
3. Principles of Practicing Good Governance in University
4. Obligations to Various Stakeholders of the University
5. Good Governance Practice Procedure in University
6. Code of Good Governance in University

It is also intended to develop an understanding of the attitude of academic staff and other staff bearers of the University to practice the Good Governance in day to day functioning of the University.

Keywords: University, Governance, Stake Holders, Students and Academic.

INTRODUCTION:

From ancient Bharat to Modern India, higher education has always occupied a place of prominence in Indian history. In ancient times, Nalanda, Taxashila and Vikramshila Universities were renowned seats of higher learning, attracting students not only from all over the country, but from far off countries like, Korea, China, Burma (now Myanmar), Ceylon (Now Sri Lanka), Tibet and Nepal. Today, India has one of the largest higher education systems. For the first time, in the history of India, three universities namely, university of Calcutta, Bombay and Madras were setup in 1857 followed by university of Allahabad in 1887 for imparting higher education.

After independence, the Govt. of India formally established University Grants Commission (UGC) as a statutory body through an act of Parliament for

coordination, determination and maintenance of standards of university education in the country. UGC has the unique distinction of being the only one grant giving body in the country, which is mandated and vested with the two responsibilities: that of providing funds and that of coordination, determination and maintenance of standards in the institutions of higher education.

The spiritual meaning of Good Governance:

“To provide “the maximum happiness for the maximum Number of people for the Maximum period, based on the principles of Dharma – Righteousness and Moral Value.” = Ramayana =

”Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective

management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders” = ICSI =

The university being the initiator to implement Good Governance, may set a benchmark to be followed by all other forms of the organizations may be an enterprise or an industry or even an institution or NGO. The Good Governance establishes a set of relationships between the university’ functioning through its office bearers, its board of governance, academic councils, colleges and institutes affiliated with itself, and other stakeholders. Good governance also provides the structure and base through that the objectives of the university are set and it ensures to match with those of others and attain through proper monitoring mechanism.

Good Governance is an advance concept and is constantly polished-up to outfit the dynamic economic and business environment. In this phenomenon, how can we forget to think of Good Governance in a university as an economy driver? That is how, in this research paper, it is initiated to understand the present practices of Good Governance in any Indian university and the ideal model of Good Governance to be followed by an Indian university. The following

discussion shall come out with the exact phenomena of the present culture of governing a university.

REVIEW OF LITERATURE:

While working on this paper, till now, the formal academic research on the Good Governance of any Indian University is yet to be undertaken. It means none of the research project has been worked out formally on this area and hence there is a huge scope to explore and work towards designing the basic model of good governance in an Indian University. Some of the literatures have been review from the concerned websites of some of the Indian and Foreign Institutes and Universities. The detail note on these is mentioned as under:

The University of Leeds, London, (12 October, 2006 version – August, 2008, August, 2009 and May, 2010) has set the code to be adopted by the Council to guide the conduct of Corporate Governance, compliance with within the remit of the Audit and Risk Committee.

Committee of University Chairs, Higher Education, UK, in ‘Guide for Members of Higher Education Governing Bodies in the UK stated and listed out the Model Statement of Primary Responsibilities.

Higher Education Authority and Irish Universities Association released the Governance of Irish Universities under the ‘A Governance Code of Legislation, Principles, Best Practice and guidelines’.

The International Financial Corporation (IFC) has developed a collaborative relationship with its client companies and works with them to improve their governance practices. This is done through mainstreaming CG analysis in investment process for every IFC transaction by applying the IFC Corporate Governance Methodology.

Southampton Solent University is overseen by a Board of Governors. Under the Education Reform Act of 1988, which created higher education corporations, the Board of Governors is generally responsible for looking after the public investment and the public interest at the University.

PROBLEM STATEMENT:

The universities have mostly a charitable status and are funded by ministry of education at state governments. Hence the governance is imposed by prescribed regulations with rigidity not in consistent with the fast changing scenario and development worldwide, while Good Governance is internal and is more in the

nature of self-regulation at individual as well as team level that ensures the principles and rules being conscientiously adhered. That is why both regulation and Good governance have to complement each other. Effective regulation improves good governance and effective good governance ensures that the objectives of the regulation are met, with minimal regulatory intervention. Since today, the good governance has become a hot subject in every field; the university may not be escaped from them and adopt newer practices and outlook.

MATRIX OF GOOD GOVERNANCE IN THE UNIVERSITY:

The Good Governance at the university level may be focused implementing with the following matrix structure in the University.

BOARD OF GOVERNANCE	ACADEMIC COUNCIL	FINANCE COMMITTEE
EXECUTIVE MANAGEMENT	COLLEGES' & INSTITUTES' BEHAVIOUR	FACULTY MEMBERS
RELATED PARTY TRANSACTIONS	DISCLOSURE AND REPORTING OF ACADEMICS & NON-ACADEMICS	REMUNERATION
AUDITING AND ACCOUNTING OF ACADEMICS & NON-ACADEMICS	CORPORATE RESPONSIBILITY	CORPORATE CULTURE

Exhibit 1: Matrix of Good Governance

PROPOSED MISSION AND POLICY OF GOOD GOVERNANCE IN THE UNIVERSITY:

The mission and policy of Good Governance in the University may be stated as under.

Mission could be:

“To develop both the Compliance and the Performance aspects of Board of governance’ attitudes, knowledge and skills, as well as the link between Good Governance, Ethical Conducts and Social Responsibilities for Total Academic & Education Excellence.”

Policy could be:

Effective Good Governance is the key to building stable and healthy institutions by a University. These institutions include affiliated Institutes & College, Industries & Corporate Houses Globally, State and National level Associations, State, National & International Trade Exhibitors, Concern Regulatory and Controlling Bodies, Various Govt Departments and agencies, Research Institutions, charities and non-profit organisations, etc.

OBJECTIVES OF UNIVERSITY TO INITIATE GOOD GOVERNANCE:

The university being the role model for the higher education in any economy and the source of human capital for any organization, it has to establish the benchmark of practicing good governance and lead from the front to let all other

forms of the organizations following same practices through its future citizens that are university students. The University can initiate practicing good governance mainly for the following objectives:

- To protect the academicians’ & educators’ interest,
- To move towards the international standards in education & knowledge creation and spreading
- To promote transparency within institutes & industries,
- To generate international outstanding students
- To develop high level of confidence among the entire nation
- By these all, to develop and promote a code of cg to be adopted and followed by Indian citizens

PRINCIPLES OF GOOD GOVERNANCE IN A UNIVERSITY:

While good governance is getting global recognition, the university should have its well defined set of principles to be considered for practicing good governance. The university principles of practicing good governance are listed as under:

- Research-intensive international higher education institution,
- Striving to create, advance and disseminate knowledge,
- A charitable status, significant financial support from the exchequer

- Committed to uphold academic freedom and collegiality,
- Develop outstanding graduates and scholars,
- Ensure that it meet relevant legal requirements and obligations,
- Ensure that good governance arrangements are expeditious and timely,
- Ensure that it Good Governance arrangements are for proper accountability,
- Ensure that good governance arrangements are open and transparent,,
- Ensure that it promote integrity and objectivity in the conduct of University Business

OBLIGATIONS TOWARDS VARIOUS STAKEHOLDERS OF THE UNIVERSITY:

A University is a creation of law as an association of persons forming a body of promoting the higher education and constructing the profile of the future citizen of the nation. Its activities are bound to impact to the large and varied pool of various stakeholders. Thereby they have mutual rights and obligations segregated in the following categories:

1. Obligation to Institutes and Colleges
2. Obligation to Teaching and Nonteaching Staff

3. Obligation to Students and Parents
4. Obligation to Industries and Corporates
5. Obligation to the Economy at Large
6. Obligation to the Society at Large

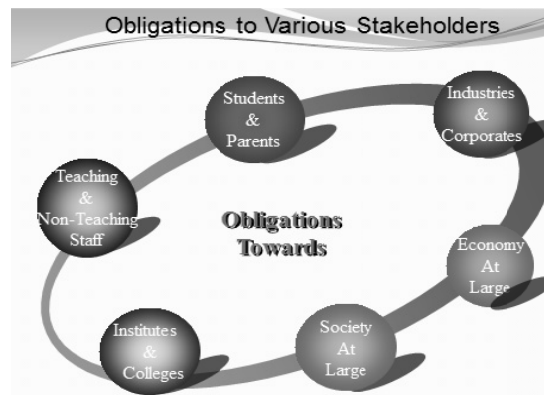


Exhibit 2: Obligations of University to its Various Stakeholders

Category wise listing of different obligations to different stakeholders is listed as under.

⇒ Obligations To Institutes And Colleges:

- Enhancing Trustees & Owners Value
- Execution & Compliance of code of conduct by Employees
- Equal Treatment and Informed Owners' Participation
- Transparency in Measurement and Decision Making
- Complete and True Disclosure of Academics Reports
- Timely and fully Repayments of the Investment by Admissions
- Environment Friendliness Institutes
- Healthy and Safe Working Environment

⇒ **Obligations To Teaching & Non-Teaching Staff:**

- Fair & Healthy Academic Practice
- Equal Opportunities Employer
- Encouraging Whistle Blowing
- Humane Treatment
- Faculty Empowerment & Enrichment
- Participative and Collaborative Environment
- Contributiveness and Inclusiveness to Industries & Institutes
- MDP, EDP & Entrepreneurship loyalty

⇒ **Obligations To Students And Parents:**

- Quality & Timely Academic Delivery
- Affordable Teaching & Learning Policy
- Unwavering Commitment to Students Satisfaction
- Consistency in Innovative Learning Environment
- Encouraging Whistle Blowing
- Students Empowerment & Enrichment
- Healthy SRM and Students' Grievance Redresses
- Participative and Collaborative Environment
- Contributiveness and Inclusiveness
- Projects, Placement & Entrepreneurship loyalty

⇒ **Obligations To Industries & Corporate:**

- Research & Innovation prop-up

- provisional & Transitory vocational shore-up
- Consistent and unswerving Employees deliverance
- Offering EDP & MDP
- Collaborative Alliance in Academic Brilliancy
- Cultivating & Crafting CSR at Industries
- Excellency & Performance Admiration

⇒ **Obligations To Economy At Large:**

- National Interest of Economy Enlargement
- Educated trade and industry Establishment
- Legal Compliance & discharge
- More Employment Lead to GDP Growth
- Economy Citizenship
- Corporate Economic Responsibility (CER)
- Honest, Ethical & Safe Economy Foundation
- Uphold the Fair Name of the Economy

⇒ **Obligations To Society At Large:**

- Political Non-alignment
- Legal Compliances & Rule of Law
- Honest and Ethical Conduct
- Knowledgeable Citizenship
- Corporate Social Responsibility

- Healthy and Safe Working Environment
- Trusteeship & Accountability
- Promote Belongingness among all Section of Society
- Uphold the Fair Name of the Country
- Healthy Competition and of National Interest

GOOD GOVERNANCE PROCEDURE IN A UNIVERSITY:

The ideal model of good governance procedure in a university may be designed in the steps mentioned in the following exhibit. This procedure may be adopted by a university to implement good governance and excel itself to be the world class university.

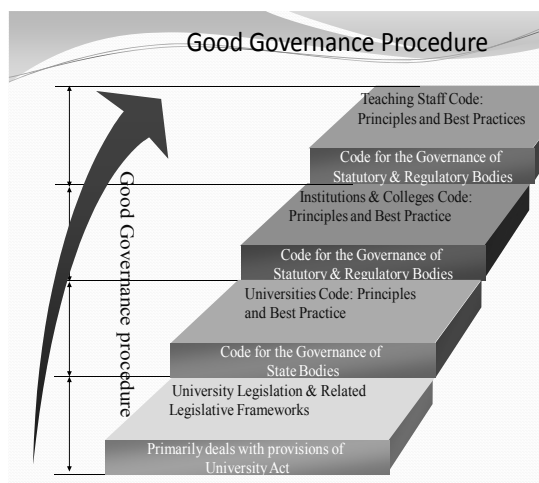


Exhibit 3: Good Governance Procedure in a University

1. Preliminary deals with Provisions of University Act: This step leads to University Legislation &

Related Legislative Framework.

2. Code for Governance of State Bodies: This step directs establish and practice University Code, Principles and Best Practice.
3. Code for the Governance of Statutory & Regulatory Bodies for Institutes: This step clarifies the Code, Principles and Best Practices to be followed by Institutes and Colleges affiliated with a University.
4. Code for the Governance of Statutory & Regulatory Bodies for Teaching Staff: This step clarifies the Code, Principles and Best Practices to be followed by the Teaching Staff endorsed with a University.

CODE OF GOOD GOVERNANCE IN A UNIVERSITY:

The University Council may adopt these aspects for the code of conduct of University Business by Council, Committees and Officers.

- Decisions must be taken honestly, in good faith and solely in terms of the University's interests.
- No one can play any part in decision-making on matters in which s/he has a personal interest.
- Decisions must be informed by reference to considerations of proper financial

management and the need to ensure the University's Solvency.

- Decisions regarding individuals must be taken on merit.
- The Council and all University Committees and Officers are accountable for their decisions and actions.
- Decision-making by any University Committee or equivalent body is collective, and whilst the committee as a whole may be called to account.
- The papers and minutes of the Council, the Senate and main Committees of the University shall be open to inspection by members of the University.
- Whilst the Council as the governing body is the ultimate decision-making authority of the University, some delegation of powers to officers and committees is necessary.

The precise and lucid understanding about the Code of Good Governance can be established from the bellow exhibit.

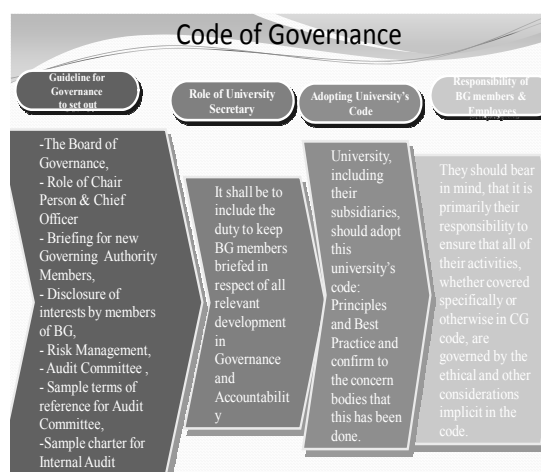


Exhibit 4: Code of Governance in a University

Beyond this, the separate code of conducts for Good Governance could be established and followed regularly in the following isolate categories.

1. For Board of Governance (BoG) Members and Employees,
2. For Internal control and Risk Management,
3. For Audit Committee with written terms and references,
4. For Internal Audit Function with proper constitution,
5. For Government Pay Policy to be adopted for Employees' Remuneration,
6. For Procurements and Tax Clearance through Tendering Policy and Payments of Grant and Subsidies,
7. For Disposal of Assets and Access of Assets by Third Party for the Optimum use of it,
8. For Capital Appraisal and Value of Money,
9. For Annual Governance Statement Reporting,
10. For Approval of BoG for Diversification and Establishment of Subsidiaries,
11. University Strategic Plan.

CONCLUSION:

The formal research on the good governance to be implemented in any Indian University has been missing till now. Hence, this paper has come out with the details of Matrix, Proposed Mission and Policy, Obligations to Various Stakeholders of the University to be satisfied by Good Governance. Thus, the criteria of University functioning discussed as above enable designing the ideal model of Good Governance Procedure for an Indian University.

By exploring various websites, this research paper has tried to collect the possible principles and code of conducts to be followed by an Indian University. With these set of principles and code of conducts of Good Governance, an Indian University can excel itself as a World Class University.

The concluding message for an Indian University can be derived from this paper as under:

"If we don't govern properly, we may survive today, but will no more in this glorious world tomorrow."

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“A CONCEPTUAL FRAMEWORK FOR CORPORATE TO PROMOTE GOOD GOVERNANCE AND HUMAN RIGHTS”

BY

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ABSTRACT:

Good governance is a far more superior concept than just a “Good government”. Good governance is not only to be able to provide the people with legitimate and a better government, but also to provide a society which respects the individuality of the people, ensures them of social and economic equality, and easy availability of lawful and indiscriminate justice and where the basic human rights are protected. Good governance supports promotes human rights in many ways. It encourages participations, transparency and equality.

Good governance fosters the corporate to respect and value the human rights. Providing the corporate a framework that understands respects the human rights will ensure to keep a check on the business activities that risk neglecting human rights. This paper explains the conceptual framework accepted by many of the

government and corporate to respect and protect the human rights. This framework focuses on the joint responsibility of the corporate and government to protect the human rights.

Key words: corporate governance, corporate, human rights, corporate responsibility.

INTRODUCTION:

Corporate governance is about promoting corporate fairness, transparency and accountability. Some view it only as a responsible way to handle their shareholders. There is no single and exhaustive definition of “good governance,” nor is there a delimitation of its scope, that commands universal acceptance. This poses a difficulty to implement it at the operational level. Depending upon the company's objective to serve their all or partial stakeholders, the implementation of corporate governance changes.

“It is the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the company objectives are set, and the means of attaining those objectives and monitoring performance.”(OECD).

It has been said that good governance is the process whereby public institutions conduct public affairs, manage public resources and guarantee the realization of human rights in a manner essentially free of abuse and corruption, and with due regard for the rule of law. Corporate governance is the way a company governs and polices itself, so that it can avoid being investigated and regulated by outside parties in civil, criminal and federal investigations. A company is responsible for good corporate governance (much like a government of a country is responsible for good governance). The company is responsible for its activities and is liable for its effects on its stakeholders.

Gospel and Pendleton suggest that corporate governance deals with the relationship between capital, management

and labour¹⁶. This is a realistic way of thinking about corporate governance: it is impossible to understand the central purpose of the firm, and about how it adds value, without bringing employees into the picture. Clearly, employee interests cannot be well-served if corporate governance is reduced to a conversation between management and capital. As Jacoby has shown, employee participation in corporate governance can make a radical difference to how employees are treated by the firm.

Corporate is responsible to all its stakeholders, whosoever is affected by the company's activities. The basic responsibility of the corporate is towards its employees. It is expected that companies should incorporate such an environment where human rights are understood, respected and fulfilled. Also to ensure a better grievance handling wherever there are any cases of human rights violations. It was suggested by the “Human Rights Council” that the corporate should:

- promote the effective and comprehensive dissemination and implementation of the Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework

- integrate a gender perspective throughout the work of the mandate and to give special attention to persons living in vulnerable situations, in particular children
- provide employees an environment of equality, freedom and security, fair labor practice, freedom of conscience.
- Promote more diverse workforce, respect their choice of work and their religious, moral and sexual orientation.
- To report annually to the Human Rights Council and the General Assembly.

It has been said that good governance is the process whereby public institutions conduct public affairs, manage public resources and guarantee the realization of human rights in a manner essentially free of abuse and corruption, and with due regard for the rule of law.

CORPORATE GOVERNANCE AND HUMAN RIGHTS

Good governance and human rights are mutually reinforcing. Human rights principles provide a set of values that give a moral and righteous direction to the governments and other political and social actors. They also provide a set of performance standards against which these actors can be held accountable. On the

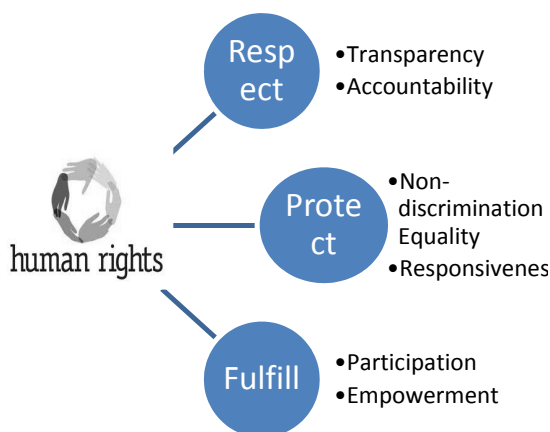
other hand, without good governance, human rights cannot be respected and protected in a sustainable manner. It is the government that can ensure that the companies realize it as their duties to respect and protect the human rights of the people associated with them. Article 41 of the Nice charter states the following with respect to good governance:

- Every person has the right to have his or her affairs handled impartially, fairly and within a reasonable time by the institutions and bodies of the Union.
- This right includes:
 - the right of every person to be heard, before any individual measure which would affect him or her adversely is taken,
 - the right of every person to have access to his or her file, while respecting the legitimate interests of confidentiality and of professional and business secrecy;
 - the obligation of the administration to give reasons for its decisions.
- Every person has the right to have the Community make good any damage caused by its institutions or by its servants in the performance

of their duties, in accordance with the general principles common to the laws of the Member States.

- Every person may write to the institutions of the Union in one of the languages of the Treaties and must have an answer in the same language.

The key attributes of “transparency”, “responsibility”, “accountability”, “participation”, “responsiveness” provided for the good governance (former Commission on Human Rights, 2000/64 resolution) can be taken as frameworks for the corporate as a guide for enforcing the principles that ensures the fulfillment of basic Human Rights.



It is recommended that the businesses adopt the guiding principles (given by UN) to create their human rights strategy that not only acknowledges it but also promises

to fulfill it. For the business to respect, protect and fulfill the human rights, they need to re-design their strategies with frameworks that support their motive.

➤ **Respect – Transparency & Accountability**

It is the by the joint efforts of the state and the business, the human rights laws can be enforced and it can be ensured that they are realized. Areas like mentioned below have the high chances of having human rights violations:

- ✓ Freedom of Expression
- ✓ Freedom of equal opportunity (equality)
- ✓ Child and Women protection
- ✓ Access to proper health and basic education

Transparency should not only be maintained in providing the financial information if the business but also in the policies governing the human rights. Businesses can establish policies for acknowledging the above mentioned areas. Many businesses have imbibed in their policies to protect the basic human rights and are known for it.

Respecting and acknowledging the human rights are the first step towards reducing the gap existing in the society. It is the responsibility of the business to respect the human rights. They should have transparent policies that make it easier to find the gaps and violations occurring

through their activities. They need to maintain adequate domestic policies space to meet their human rights obligation along with their business.

➤ **Protect – Non- Discrimination and Equality & Responsiveness**

States also have the duty to protect and promote the rule of law, including by taking measures to ensure equality before the law, fairness in its application, and by providing for adequate accountability, legal certainty, and procedural and legal transparency. Article 21 of the Universal Declaration of Human Rights recognizes the importance of a participatory government and article 28 states that everyone is entitled to a social and international order in which the rights and freedoms set forth in the Declaration can be fully realized. However, the responsibility to respect human rights applies fully and equally to all business enterprises. Businesses should ensure that everyone associated with them get an equal opportunity, whether regarding job and or for advancements. With companies being more transparent in their policies, it is easier for them to provide opportunities to everyone. Also, if there is any violation or lacking found in ensuring the applicability of the human rights, the management should be responsive enough to hear the grievances and address them with utmost care.

The business should ensure that the decisions taken should be in accordance with the laws and company policies and should be fair to the stakeholders. The companies should treat the stakeholders fairly, promptly and efficiently and sensibly. Equality should be maintained not only for equal opportunity but also discriminations based on caste and gender should be avoided.

In recent years, Hong Kong has placed greater emphasis on equal opportunities and diversity, and antidiscrimination over sex, race, disability and family status. Organizations' policies and procedures should support principles of equal and fair treatment of employees and service users as well as compliance with legal and regulatory requirements (Guide to corporate governance).

➤ **Fulfill – Participation and Empowerment**

It is only with efficient participation and the ability of the stakeholders to participate in the management decisions an appropriate balance can be reached between the management policies without compromising their rights. There is a growing dialogue among the different stakeholders about corporate governance and how it should evolve to cope with the increasingly dynamic and global nature of our capital markets. Many countries such as in Europe and Germany employees have

the legal right to such participation through two legally mandated structures: the Betriebsrate, or works councils, which provide for participation in the immediate workplace, and Mitbestimmung, or codetermination (CD), which provides for employee representation on the board of directors.

The need for Employee Participation Rights is magnified because of the role of management in a modern corporation. There is an incentive for managers to take expanded authority in the firm not just because and only when it is efficient, but when they have the power to do so and it benefits the manager. It is well known that there are incentives and opportunities for managerial opportunism towards shareholders, as the industrial organization, management, and economic behavior literatures examine in detail (Williamson, 1975, 1985). Employee board-level representation in these countries is a fact, diverse in structure and extent, but deeply-rooted in different cultural and historically-developed environments. This fact plays an important role in the European corporate governance model and has to be recognized in future legislation. With this the employees are empowered to actively participate in the management decisions. This ensures more transparency between the management and the stakeholders.

CONCLUSION

Good governance fosters the corporate to respect and value the human rights. Providing the corporate a framework that understands respects the human rights will ensure to keep a check on the business activities that risk neglecting human rights. It is the government that provides an environment where the corporate find themselves accountable in ensuring the rights of their stakeholders.

It is the responsibility of the corporate to frame policies that respect, protect and fulfill the human rights of the stakeholders. The corporate should include policies that mandate "Transparency of work and management decisions", "increase equality" and decrease and slowly discard the "unjust discriminations based on cast, race and gender". These all can be achieved only through proper representation of the stakeholders in the organization.

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“INSIDER TRADING PRIOR TO MERGER & ANNOUNCEMENT : A CRITICAL ANALYSIS”

BY

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Abstract

This study examines the stock price effects and volume pattern of the selected companies for the existence of illegal insider trading before a merger. The study is based on merger or acquisition announcement during 2004 to 2011. The analysis has been done for 13 target companies which are listed on BSE and NSE, this study analyses the stock prices and the trading volume 30 days before an acquisition announcement. In order to study the pattern of stocks the Abnormal returns (AR), Cumulative abnormal returns (CAR) and the Abnormal Volume has been calculated for the selected target companies in the Indian context. Besides, very little theoretical work has been done by researchers in India.

However, with improved availability of data based and computing resources, and increasing interest in Indian markets, we are expecting an explosion of work in now-a days. In this analysis I found that a considerable sample of firms have abnormal return before the actual announcement has taken place and also there are evidence of huge abnormal volume before a public announcement in the given sample.

As a result of the phenomenal Bull Run in almost all the major stock markets throughout the world, the shareholding population has grown up. India is one of the well regulated and fast growing an emerging market.

The market regulators are always concerned about the health of the capital markets since any kind of malpractice may make the retail investors lose their hard earned money. One such scam was unearthed in 1992 in India.

Key words: Insider trading, CAR, Acquisition, Merger

INTRODUCTION OF INSIDER TRADING

As a result of the phenomenal Bull Run in almost all the major stock markets throughout the world, the shareholding population has grown up. India is one of the well regulated and fast growing an emerging market.

The market regulators are always concerned about the health of the capital markets since any kind of malpractice may make the retail investors lose their hard earned money. One such scam was unearthed in 1992 in India.

The term 'insider trading' means act of buying or selling a security in the open market by an insider. By virtue of being an insider he may have access to some confidential, price sensitive information not disclosed to the media or public. ("Price-sensitive information" means periodical financial results of companies, dividend declaration, issue or buy back of securities, any major expansion plans or execution of new projects, amalgamation, mergers, demergers or takeovers, disposal of whole or substantial part of business and significant changes in policies, plans or operations of the company). He may indulge in accumulating he stock over a period of time, and when the news is out in public domain he may sell his holdings in the market. This is considered to be a serious economic offence.

Now with the capital markets being transparent, many countries have actually imposed legislative sanctions on insider trading. The United States formed the Securities Exchange Commission, which, under the insider trading sanctions act, may impose civil penalties in addition to initiating criminal proceedings. In India SEBI or the Securities Exchange Board of India is the market regulator; SEBI has drawn guidelines to prevent insider trading and price over manipulation.

REVIEW OF LITERTURE

Manne, Henry G., 1965, Manne[8]

In (1965), he asserts that insider trading before announcement of merger fosters efficient capital markets by improving the accuracy of stock prices. Specifically, insider trading promotes quick price discovery, which mitigates the incentive for many individuals to collect the same information. At time of merger announcement the level of insider trading is increased.

Gordon, M.J. and Yagil, J. (1981)[3]

In (1981), they examined the relationship between insider trading activity and the market return in the subsequent two month. He found a significant and positive relationship between the two measures. To test whether this information would lead to profitable trading, Seyhun (1986) carried out a switching strategy between the market portfolio and government treasury bills respectively for each month that an insider bought or sold. However, even ignoring transaction costs it was found that such a trading strategy was unproved table.

Wansley J., Lane W., and Yang H., (1983)[10]

In (1983), they have shown in their journal “*Merger announcements and insider trading*

Activity” evidence of leakage of information before merger/acquisition attempts and have constructed a sample of 194 firms that were targets of merger attempts. They have shown that in most mergers/takeovers, stockholders of the acquired firms sell their shares to the acquirer at substantial premiums over market value; announcement of a merger/takeover attempt is good news for shareholders of the target firm and therefore causes stock prices to increase substantially. So on the announcement day the average cumulative abnormal return for the sample merger target increases substantially, and after the announcement date the

CAR no longer increases or decreases substantially. This is because of the efficient market hypothesis (EMH). Once the information is made public the stock prices jumps almost immediately in response to the new information.

Lewellen, C. L. and A. Rosenfeld (1985)[7]

In (1985), they assert that insider trading is taken place before the announcement of merger. Specifically, insider trading is promoted by top executives for earning the extraordinary profit. This type announcement is beneficial for shareholders, so at the time of announcement the price of share is increased and the shares were purchased early by top executives are sold now at higher price & get profit through this type of insider trading.

Jarrell, G. and A. Poulsen, 1989[4]

In (1989), he extended the analysis of Seyhun by re-examining the issue using a vector autoregressive regression model. Their findings contradict the earlier paper by showing that market movements actually influence the direction of insider trading instead of the other way around as hypothesized by Seyhun. Moreover, their findings suggest that insider trading cannot predict future market movements and that outsiders cannot use aggregate insider trading information to predict future market returns over the subsequent eight weeks.

Kaplan, S. and M. Weisbach, 1992[5]

In (1992), they assert that legitimate sources, such as media speculation concerning the upcoming merger or acquisition and the bidder’s purchase shares in the target firm, contribute to the target’s stock price run-up.

Datta, D. K and G. Puia, 1995[1]

In (1995), they show that outside investors can earn abnormal profits, net of transaction costs, by analyzing publicly available information about large insider transactions by top executives. The top executives inform their relatives & friends about the merger & acquisition announcement date and through them they will earn a superior profit.

Fama, E. F. and K. R. French, (1996)[2]

In (1996), he reported that takeover premiums on target securities are on average 10 percentage points higher when illegal insider trading has take place. It thus appears that illegal insider trading has a significant impact on the prices of securities around mergers and

acquisitions; however this does not seem to be the case where legal corporate insider trading occurs.

Zalewski, D.A., 2001[11]

In (2001), they investigate the inter temporal and cross-sectional association between the bid-ask spread and insider trading. They find that market makers establish larger spreads when there are unusually large transactions. In addition, this study finds that spreads are positively associated with risk and negatively with trading volume, the number of exchange listings, share price, and firm size.

Kuipers, D., D. Miller and A. Patel, 2002[6]

In (2002), they have analyzed the trading activities of a confessed insider trader, and their tests were also unable to distinguish between the price effect of informed trader and uninformed trader.

Reuer J,J. S. Oded, R. Ragozzino. (2004)[9]

In (2004), he has gathered information on insider trading in 52 countries in the world and has analyzed a firm's stock reaction before a tender offer announcement on a sample of 4,541 acquisitions. It has been found that profits to insiders, calculated over the fifty-five days that precede a public announcement, increase after insider-trading laws are enforced.

RESEARCH PROBLEMS

Insider trading before announcement date of merger is characterized by wide share price and volume fluctuations and heavy trading within a short span of time. Insider trading is a traditional worry of investors, and its associate with fast growing stock, high P/Es, smaller companies, and information technology (IT) firm. Insider trading of stock market is usually caused by leakage of company news to insider. Share prices fluctuation affects the wealth creation of investors. In this context, the study of the impact of merger announcement on insider trading is undertaking.

***DOES INSIDER TRADING TAKE PLACE PRIOR TO A MERGER OR ACQUISITION
ANNOUNCEMENT IN INDIA?***

OBJECTIVES OF STUDY

- The study aims to imperially investigate the existence of insider trading prior to merger announcements in India.
- The study will examine the impact of insider information on stock price movement and volume traded of target companies prior to the first public announcement of their proposed merger.

SOURCES OF DATA

The data collected in this project will all secondary data. The data has been collected from the news studies like Business Line, Economic times, Business Standard. The data of the daily share prices of companies and trading volume from www.finance.yahoo.com, www.bseindia.com, www.nseindia.com, [India infoline.com](http://India.infoline.com) and etc.

SAMPLING

For this study a sample of 13 target companies has been taken and all the target companies have to meet the following criteria.

- The stock must be listed either in NSE or BSE.
- The actual merger or acquisition must have occurred.

Table 1

List of Sample

COMPANY NAME	MERGED COMPANY NAME
Reliance Ind. Ltd.	Flag Telecom
Oriental Bank Of Commerce	Global Trust Bank
TATA Motors Ltd.	TATA Finance Ltd.
TATA Steel	Corus
Hindalco	Novelis
Suzlon Energy	Re power
SBI	State Bank of Saurashtra
HDFC Bank Ltd.	Centurion bank of Punjab
TATA Motors Ltd.	Jaguar
ONGC	Imperial Energy
Reliance Ind. Ltd.	Reliance power Ltd.
Bharti Airtel Ltd.	Zain
ICICI Bank Ltd.	Bank Of Rajasthan

HYPOTHESIS

H0: The insider trading was existed before merger & acquisition announcement date.

H1: The insider trading was not existed before merger & acquisition announcement date.

METHOD OF ANALYSIS

In order to calculate the Actual Return we have to calculate The Normal daily return of the stock is calculated by

$$\text{Daily Normal Return} = \frac{\text{Closing price} - \text{opening price}}{\text{Closing price}}$$

The Daily market return is calculated by;

$$\text{Daily Normal Market Return} = \frac{\text{Closing Price of Market} - \text{Opening Price of Market}}{\text{Closing price of market}}$$

To calculate the Abnormal return (AR) of the target firm

$$\text{Abnormal Return} = \text{Daily Normal return} - \text{Market Return}$$

For the purpose of the study we have calculated the returns of the market by taking NIFTY index as a market benchmark.

And we also calculate the Cumulative Abnormal Return (CAR) which is the accumulated sum total of all the abnormal returns.

$$\text{CAR}_t = \text{AR}_t + \text{CAR}_{t-1}$$

Where CAR is the sum of the CAR of the previous day and the abnormal return of the present day.

Here we examine the average daily volume of the particular stock for 30 days before an announcement and then subtract it with the Normal day Average trading Volume for 100 days, the result is the Abnormal Volume of the given stock. Further we determine the percentage of higher volume for each of these target companies.

To calculate the abnormal volume:

$$\text{Abnormal Volume} = \frac{\text{Daily Average Volume} - \text{Normal day Average}}{\text{Daily Average volume}}$$

DATA ANALYSIS

Table 2
DATA ANALYSIS AND INTERPRETATION

COMPANY NAME	CAR	ABNORMAL VOLUME	RESULT
Reliance Ind. Ltd. (FT.)	Positive	25.05	Certain
Oriental Bank Of Commerce	Positive	31.17	Certain
TATA Motors Ltd. (TFL.)	Negative	-49.00	Nil
TATA Steel Ltd.	Negative	-47.78	Nil
Hindalco Negative	Negative	-32.14	Nil
Suzlon Energy	Positive	5.46	Certain
SBI	Negative	-10.24	Nil
HDFC Bank Ltd.	Negative	-8.76	Nil
TATA Motors Ltd. (Jaguar)	Positive	9.94	Certain

ONGC	Negative	4.40	Uncertain
Reliance Ind. Ltd. (RPL.)	Positive	-1238.31	Uncertain
Bharti Airtel Ltd	Positive	-41.27	Uncertain
ICICI Bank Ltd.	Negative	-9.86	Nil

DIAGRAMMATIC REPRESENTATION OF RESULT

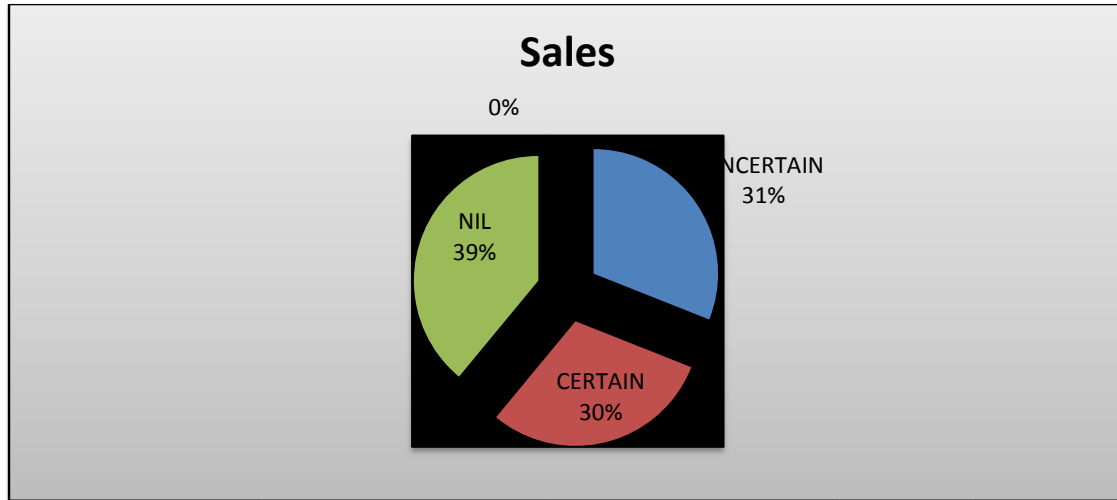


Figure: 1

RESULTS

ANALYSIS BASED ON STOCK PRICES

In this approach we have calculated the abnormal returns for 30 days for all the 13 target companies by taking the difference between the daily stock price return with the market return. The average abnormal return is calculated for the given sample and further the Cumulative abnormal return is calculated using

The previous day cumulative abnormal return + abnormal return for the present day.

According to Keown and Pinkerton if there is any positive AR and CAR on days before the announcement day then we can infer that there exists insider trading before the announcement date. If there is any leakage of information before the announcement day, it would show up in the form of positive Average abnormal return and positive CAR just days before an announcement because insiders would start trading immediately.

Based on the analysis we find that out of 13 companies 6 companies show a positive average CAR on days preceding the announcement day this result suggests that there might be insider trading going on before the announcement in 6 out of 13 target companies.

ANALYSIS BASED ON VOLUME

Here we examine the average daily volume of the particular stock for 30 days before an announcement and then subtract it with the Normal day Average trading Volume for 100

days, the result is the Abnormal Volume of the given stock. Further we determine the percentage of higher volume for each of these target companies.

Based on the analysis 5 companies out of 13 have abnormal volumes on days preceding the announcement date, this suggests the evidence that there was huge trading going on before the announcement.

ANALYSIS OF THE MARKET EFFICIENCY

If the merger news comes as a surprise to the market then it should be reflected in the CAR and the trading volume for the two days preceding the announcement date, about 6 companies have positive CAR on the days preceding the announcement and 5 companies have abnormal volume before the announcement date. Since the announcements effect are reflected in share prices before the announcement is made it shows that the market comes under the semi strong form of Efficiency. The above study suggests that in majority of the cases news of comes as a surprise to the market. Hence, based on the significance of CAR and trading volume pattern prior to the announcement and the existence of substantial immediate response of the market, we conclude that there is strong evidence suggesting presence of insider trading about 30 days prior to a merger or acquisition announcement.

CONCLUSION

This study examines the stock price effects and trading pattern for the possible existence of informed trading prior to the merger & acquisition announcement. The investigation is based on a database of companies for which the announcement has been announced for the period 2004 to 2012, the analysis has been done for 30 days before an acquisition announcement.

The analysis has been done to examine the pattern of stock prices and trading volume of the sample target companies. For examining the stock prices the Abnormal return and the

Cumulative abnormal returns have been calculated, and for examining the trading volume the abnormal return has been calculated using the normal day daily average trading volume for 100 days.

The analysis examines the following:

- Abnormal returns before an announcement
- Trading volume before an announcement
- Market efficiency

The analyzed cumulative abnormal return (CAR) and the trading volume pattern provide evidence that the stock price increase before the announcement reflect insider trading.

Insider trading can occur when a person who possesses material non public information trades in securities on the basis of such information or communicates such information to others who trade.

This problem is so deep in the market that it is very difficult to find out who has done this crime because direct evidence is rare. The insider might be trading through more than 10 brokers or he may be trading in someone else's name, so given this how do we prove the existence of illegal insider trading?

WEBSITES

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“A STUDY ON PROBLEMS AND PERSPECTIVES OF DEMAND OF AFFORDABLE HOUSING IN GUJARAT.”

BY

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Abstract

Entire study throws a light on the housing policy adopted by the government for the development of Gujarat. As it has been seen that housing market prices rising like a rocket during the last five years, in such situation it is very tough for the middle class people to purchase a house. Government of Gujarat is also working in the same direction i.e. to provide affordable housing schemes under housing board projects. This paper will mainly focus on the demand determination of affordable housing schemes in Gujarat and analyze some of the factors which are being hurdles in the way of such policy. Also study aims to know the status of current affordable housing projects and try to represent the current stats regarding homeless people which are in hope of affordable housing scheme launch by the government of Gujarat. Research will analyze housing price Index and shortage of housing, primary opinion as well as secondary data for getting the best result of this topic.

Keywords: - Housing Market, Affordable, Housing schemes

Introduction:-

The Indian economy has experienced robust growth in the past decade and is expected to be one of the fastest growing economies in the coming years. The real estate sector in India assumed greater prominence with the liberalisation of the economy, as the consequent increase in business opportunities and labour migration led to rising demand for commercial and housing space. At present, the real estate and construction sectors are playing a crucial role in the overall development of India's core infrastructure. It is the second largest employer after agriculture. Over the next decade, the real estate sector is expected to grow by 30 per cent. And government of India also have taken initiative for the infrastructural and housing development, which has been observed in the National Housing Bank Report – 2012.

Table 1 and 2: Investment Estimates and Total cost for Affordable Housing

Units	Slum areas Million	Non slum areas Million	Total Million	Unit Cost ₹	Total Cost ₹ Crore
Need for fresh housing units	10.61	5.68	16.29	3,50,000	5,70,150
Incremental housing to address congestion	4.78	7.89	12.27	60,000	76,020
Provision of infrastructure for new housing units	10.61	5.68	10.61	1,20,000	1,27,320
Up gradation of infrastructure in existing slums	10.85	0	10.85	70,000	75,950

Source: - National Housing Bank Report-2012

The Above figure seems to be more attractive so far as the development is concerned because government is spending huge for the development of affordable housing schemes. Rs. 5,70,150 crore investment has been done for the fresh affordable housing unit in the forth coming year with governments' concentration on development of the slum areas by providing them affordable housing facilities

On the other hand, due to growing population of the country there is a need of more houses, in past during the 1991 and 2001, there is a gap observed between incremental households and housing stock but the gap is minimized up to the year 2011 due to government initiative in the development of housing facilities and also housing subsidies and announcement of affordable housing schemes.

Figure 1 : Increment in Housing Stock

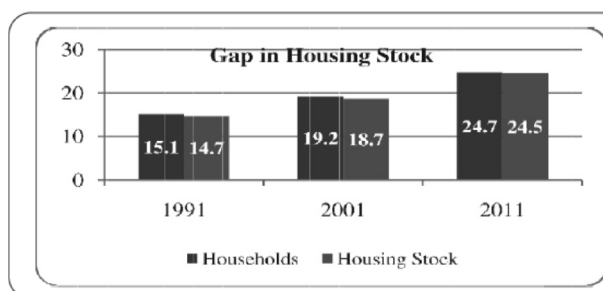


Table 3 : Increment in Housing Stock

Census Year	Households (in crore)	Housing Stock (in crore)
1991	15.1	14.7
2001	19.2	18.7
2011	24.7	24.5

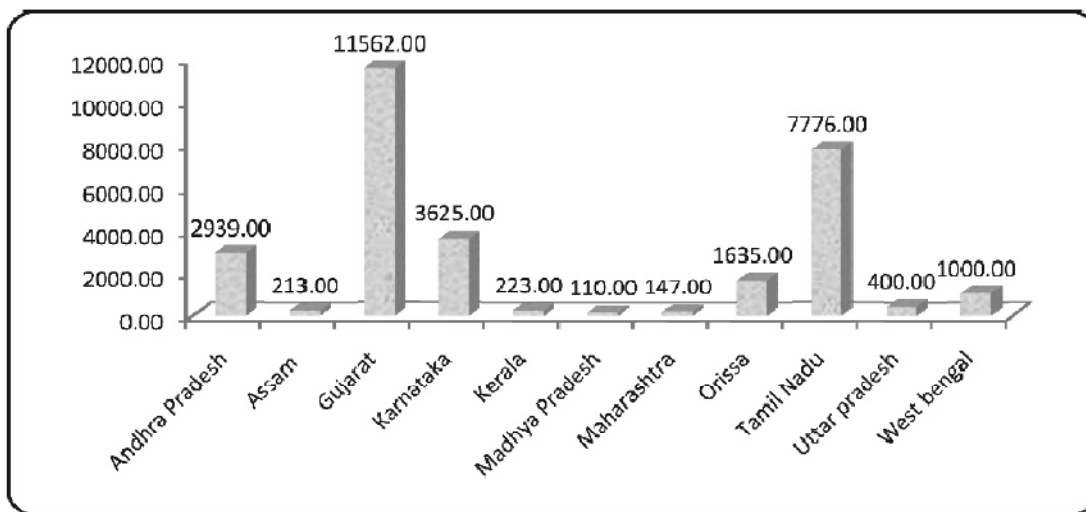
Source: - National Housing Bank Report-2012

Affordable Housing Story of Gujarat :-

Gujarat is a growing state of India which on the sixth position in terms of growth concern. Infrastructural development is playing a most vital role in the growth and development of Gujarat. The 2013 vibrant Gujarat summit organized by Government of Gujarat saw affordable housing and construction industry signing memorandum of understandings (MoUs) worth of Rs 1,34,000 crore, by both domestic and global players in the beginning of the year 2013. Eight MoUs were signed for various verticals in housing and construction, including affordable

housing technology, pre-cast construction technology and slum rehabilitation. In affordable urban housing technology segment, while US-based Hawthorne Development Corporation signed an MoU worth Rs 1 lakh crore with the Gujarat government, Tata Housing Development Company Ltd signed for Rs 3,500 crore. Global players like Elematic of Finland and Spiroll Precast Services Ltd of the US signed MoUs for providing pre-cast technology in cost-effective and efficient housing construction for Rs 15,000 crore and Rs 5,000 crore, respectively. Domestic players like M V Omni Projects (India) Ltd and Sheetal Infrastructure Pvt. Ltd signed MoUs worth Rs 3,000 crore and Rs 1,000 crore, respectively, in the area of slum rehabilitation. Ahmedabad-based real estate developer Bakeri Urban Development Pvt Ltd also announced investment commitment of Rs 1,500 crore in the affordable housing sector.

Figure 2 : State Wise outreach of NHB's Housing Microfinance Program



Source: - National Housing Bank Report-2012

In the affordable housing development of Gujarat National Housing Bank plays a vital role as it provides the microfinance to gear up the development of the affordable housing schemes and also the graph shows that there is a maximum microfinance availed by the Gujarat for the development of the affordable housing schemes. The Housing Microfinance Program of the Bank is spread across 11 states which include Andhra Pradesh, Karnataka, Tamil Nadu, Maharashtra, Orissa, Gujarat, Kerala, Assam, Uttar Pradesh, West Bengal and Madhya Pradesh. Among the above mentioned states Gujarat recorded the highest utilization of microfinance of Rs.11562 in comparison of the other states.

Methodology:-

This paper is based on the key secondary data of housing sector; main focus of study is to identify the problem pertaining to affordable housing and also to know the government initiative taken in the area of affordable housing. Literature survey shows that there is a less

research carried on affordable housing, so this is very useful study to understand the demand and shortage scenario of affordable housing. The research paper has analyze the key statistics related to housing Price index and housing shortages India as whole and the state wise. The result are discussed in the light of the problem pertaining to affordable housing and also shortage of affordable housing which will helpful in estimation of demand for the same in forth coming year.

Review of Literature:-

The housing sector has become a major contributor of an economy's well being. To understand the significance of the sector and its implications there have been various research on housing sector both in India and abroad. The research are being conducted to gain more knowledge about the various factors contributing to the development of the sector and also to analyze the factors which effect the decision of investment in the sector. Research has tried to study few such research papers to get a better idea about the current scenario of the housing sector.

Case and Shiller (2003), have presented evidence related to price bubbles in the housing market. They establish that elements of a speculative bubble including the strong motive for investment, high expectations for future price increases, and the strong influence by word-of-mouth discussion were present in the single-family residential market at least in some cities in the US. The study states, market fundamentals drove the home price increase from 1995 in many cities in the US, and the income growth and falling interest rates in a number of states explained the entire changes in the house prices. Nevertheless, findings prove existence of bubble elements as well. The study utilizes U.S. state-level data to analyze the relationship between home prices and market fundamentals, by a questionnaire survey of people who bought homes in 2002 to identify any available bubble indicators. The comparison of fundamental measures of bubble activity in 1988 and 2003 demonstrates that the indicators of bubble for the year 2003 are, in general, strong as those indicators in the 1988 house price bubble.

Poterba (1991) and Mankiw and Weil (1989) argue that the entry of baby boomers into the housing market affected house prices. Three alternative explanations for price movements have been presented by Poterba: possible systematic changes in construction costs, favorable and unexpected demand shocks resulting from the interaction of unanticipated inflation and the tax system, and the entry of a large cohort of baby boomers into the housing market (demographic view). The results indicate that changes in construction costs and income have a significant impact on real house price changes than the demographic factor. Poterba's findings support the

view that house price movements are predictable using past information on fundamentals including house price appreciation and changes in real per capita income. The study completed by Mankiw and Weil states entry of the baby boom generation into the housing market increased real house prices while entry of the baby bust generation in the 1990s slowed the rate of increase in demand. To the Efficient Market Hypothesis to hold, the demographic changes should not affect the asset prices, because they are forecasting. Therefore, Mankiw and Weil argue, naive expectations better determine house prices than the predictable fundamentals.

In addition to testing the weak form efficiency of the housing market, **Gatzlaff (1994)** examines the possible effects of unexpected inflation on estimates of excess return using two different models of expected inflation: a rational expectations model and an adaptive expectations model. The results state that both estimates of unexpected inflation are positively correlated with excess returns to housing, nevertheless the serial correlation is greatly diminished when the unexpected inflation component of the return to housing market is eliminated assuming adaptive inflation.

The residential market in India comprises of around 80% of the total real estate potential. The growth in this market has largely been driven by rising disposable incomes, a rapidly growing middle class, low interest rates as well as increased urbanization. Households are expected to rise to 235 million by 2010 from 210 million in 2005 as per **Narkar & Neema's (2006)** estimates. A housing stock shortfall of 19.8 million was experienced in 2005 which increased to 22 million in 2006, despite the strong inflow of supply over the past one decade.

The dynamics that rule this segment are complex relationships existing between

- ✓ selling price,
- ✓ listing price,
- ✓ housing features,
- ✓ housing market conditions and
- ✓ Marketing time in the residential real estate market.

This relationship was analyzed in a paper published by **Kang & Gardner (1989)** taking a large sample of single-family homes.

Analysis and Discussions:-

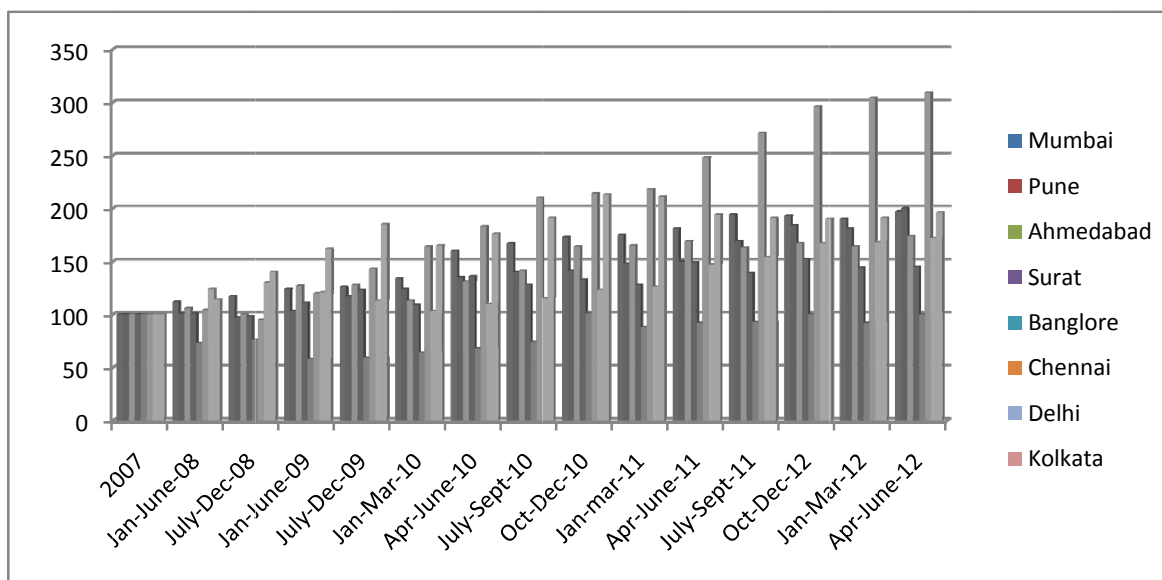
As observed in the Housing price Index in the country majority states are having a high price index in the end of year 2012. This should be a cause of rise in the Wage rates and rise in the material prices with rise in the Price level. But if comparing the price index at interstate level highest price index observed in Tamilnadu which is 309 and lowest in the city of Gujarat that is 145 in surat which tell us there is an opportunity with the Gujarat to provide the low cost

affordable housing. Ahmedabad is the city where third lowest Housing price index observed and also Ahmedabad is one of the developed city of Gujarat and immerging industrial hub for the Gujarat so now its also positive sign for the Gujarat to develop Ahmedabad and reduce housing shortage by providing affordable housing schemes to Ahmedabad. So it is a positive sign to a Gujarat to reduce the housing shortage and also positive sign to the home seekers for purchasing affordable house at a lower price level in compare to other states like Maharashtra and Tamilnadu where there is a high Housing price index.

Table: 4 Housing Price Index scenario in Major States of India

Year wise, State wise, Major City wise Breakup of Housing Price index																
State	City	Year														
		2007	Jan-June-08	July-Dec-08	Jan-June-09	July-Dec-09	Jan-Mar-10	Apr-June-10	July-Sept-10	Oct-Dec-10	Jan-mar-11	Apr-June-11	July-Sept-11	Oct-Dec-12	Jan-Mar-12	Apr-June-12
Maharashtra	Mumbai	100	112	117	124	126	134	160	167	173	175	181	194	193	190	197
	Pune	100	101	97	103	117	124	135	140	141	148	150	169	184	181	200
Gujarat	Ahmedabad	100	106	100	127	128	113	131	141	164	165	169	163	167	164	174
	Surat	100	101	98	111	123	109	136	128	133	128	149	139	152	144	145
Karnataka	Bangalore	100	73	76	58	59	64	68	74	101	88	92	93	100	92	100
Tamilnadu	Chennai	100	104	95	120	143	164	183	210	214	218	248	271	296	304	309
Delhi	Delhi	100	124	130	121	113	103	110	115	123	126	147	154	167	168	172
West Bengal	Kolkata	100	114	140	162	185	165	176	191	213	211	194	191	190	191	196

Figure 3 : Housing Price Index scenario in Major States of India



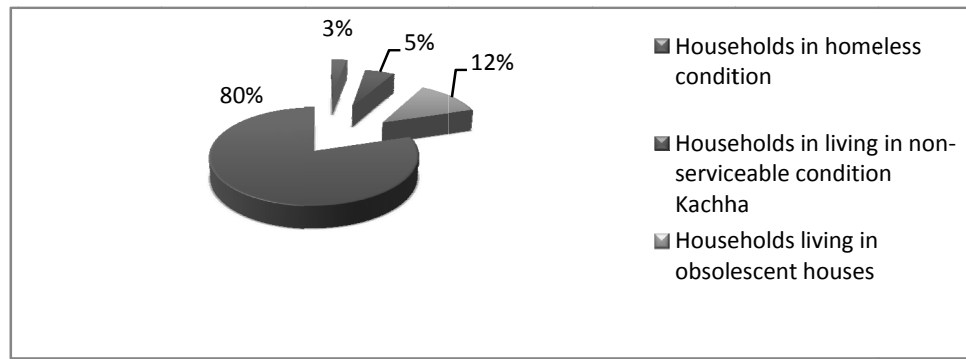
Analysis on Housing shortage:-

Table: 5 Housing shortage scenario- India (Year 2012)

Housing Shortage 2012 - Indian scenario	Million	Percentage
Households in homeless condition	0.53	3%
Households in living in non-serviceable condition Kachha	0.99	5%
Households living in obsolescent houses	2.27	12%
households living in congested houses requiring new houses	14.99	80%
Total Housing Shortage	18.78	

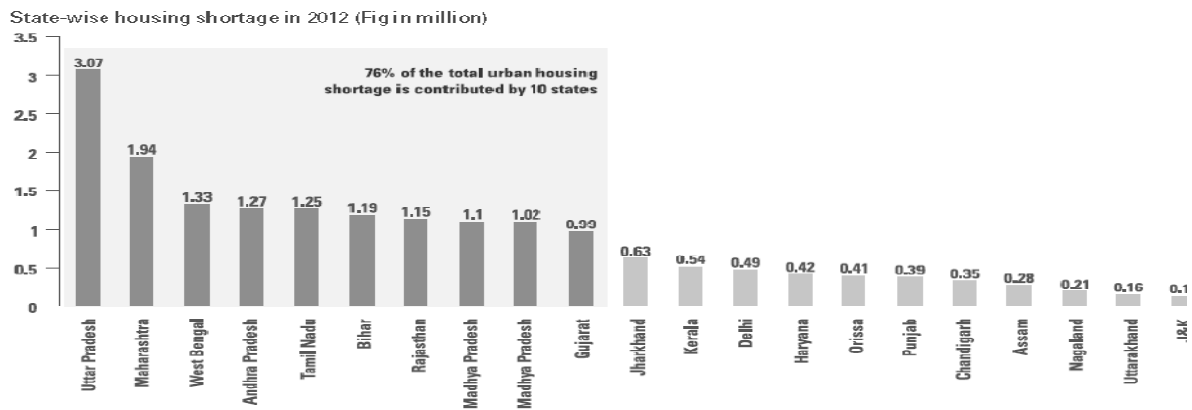
As mentioned statistics in the report of National Housing Bank-2012, there is a housing shortage of 18.78 million in india among that 80% shortage is about the congested house and requiring new house due to increase in the no. of households , rising population creates a demand for more housing and for middle class family it is the question of affordability, so government needs allocate the budget for the same and try to cope up with the rising household to balance the housing shortage in future.

Figure 4 : Housing shortage scenario- India (Year 2012)



Source: - Report on Technical urban Group (TG-12)

Figure 5: State wise Housing Shortage in India



Source: Report of the Technical Urban Group (TG-12) on Urban Housing Shortage 2012-17, Ministry of Housing and Urban Poverty Alleviation, September 2

As per the report of Technical urban group (TG-12) mentioned above we can analyse that Gujarat is one of them which contribute 76% housing shortage in india,after madhya pradesh, it is due to rise in the no.of house holds in the single family and also due to rise in the population in the gujarat due to migration of the people from the other state to gujarat because as per the housing price index gujarat having lowest housing price index in comparision of major developed stated of india. In gujarat there are developed cities like Ahmedabad and Surat now a days being as an immerging industrial hub and that is the reason why people from the other states are relocating in gujarat due to lower price level in comapre to other states so the lower income group people have to face high price of housing.

In this situation governement also come across and started development in gujarat by developing several affordable housing scheme and also CM of the gujarat Mr.Narendrabhai Modi have signed several MoU's for development of affordable housing in the Vibrant Gujarat Summit-2013.

Analysis of Hindrances to Affordable housing:-

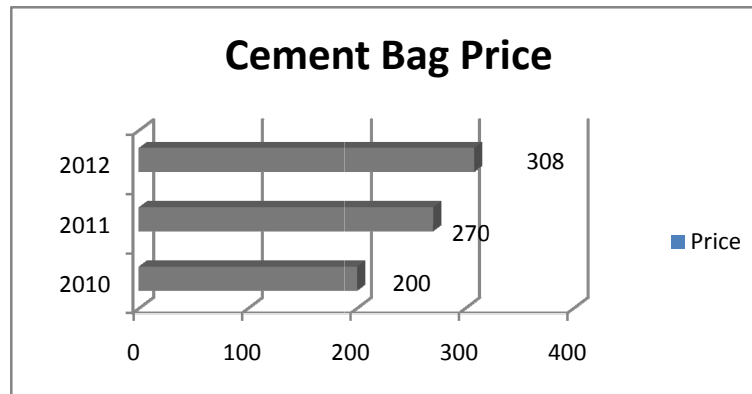
As the name itself represents the affordable but now a days due to rise in the price level and also rice in the material prices like Cement, Bricks, Steel and wages increased the level of the

affordability for the middle class people and for the Economically weaker section people

Rise in the Cement Bag prices:-

As observation shows that there is a rise in the cement bag prices there is an increase of 54% in compare to year 2010. That will cause to the construction expenditure as cement is a heart of constructing houses it will make construction work more costly. So there will be a relative rise in the prices of construction work

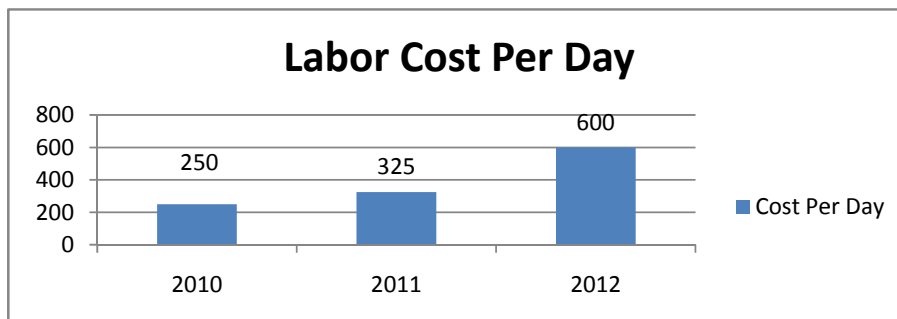
Figure 6: Cement Bag Price



Labor cost scenario:-

Due to hike in the minimum wage rate the labor also becomes costlier in construction work charges of the labor to be utilized in the construction work has been rising sharply which is observed a rise of over hundred percent is stand at 140% hike in the labor rate for the construction work which is becoming a major issue in the housing construction cost

Figure 7: Labor Cost per Day



And because of such hike in the labor rates construction of affordable housing is also become costlier and it is directly affect to the price level of affordable housing which is day by day increasing due to such rise in the cost of relative input.

Financial Constraint of Low Income Group

As concerning the affordable housing there is a major issue faced by the low income group people is How to finance the house? Because of low income and rising prices of affordable housing low income group people cannot get the financial aid from the banks as their income is

low and also there is steps taken by the government in this direction in terms of housing subsidies to the Economically weaker section and low income group people but still the demand of the affordable housing is not fully satisfied by the government itself as the cause of the rising density of population.

Lack of Skilled Manpower

As it has been observed that there is already a skilled labor shortage in the real estate sector in the year 2012. As mentioned in the available sources it has been observed that there is a 30% shortage of skilled labor in the real estate sector so, there are many affordable housing project has been seen in the unfinished condition or it has been overtime due to lack of skilled labor.

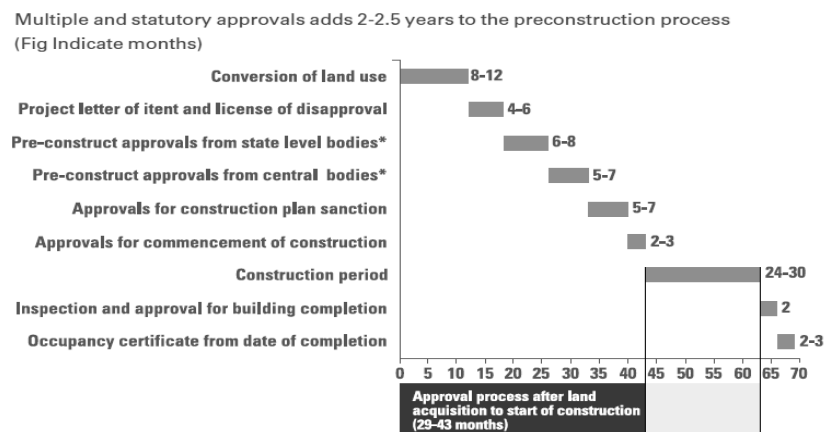
As per CREDAI (Confederation of Real Estate Developers' Association of India), the construction sector is facing labour shortage of around 30% persons per day for both skilled and unskilled labour and the situation will worsen in next decade when requirement for workers is expected to go up three-fold.

So it is a burning issue faced by the reality sector and it cause the delay in the construction of affordable houses and also for the home seekers.

Delay in approval from multiple authorities;-

Delay in the approval of housing project is also becomes a hindrance in the current situation because industry already facing 30% shortage in the skilled and unskilled labor and on the other hand there is a rapid increase in the households that's cause to increase in the housing shortage figures.

Figure 8: Approvals periods



As seen in the above graph as per the current approval process it takes approx. 2 years before the construction begins. And we all know that two year is the enough period for the correction in the market and again it adds costs for the time being so affordable housing becomes more costlier because of these long approval process.

Rising construction cost :-

Due to increase in the labor cost and shortage of the labor in the industry there is a rise in the construction cost and more over to that rise in the prices of some relative material like steel and bricks construction process becomes more costlier and which has a direct relation with the price and the affordability. Due to costlier construction cost people cannot afford even a affordable housing scheme that's a current scenario going on in the market.

Findings:-

- ✓ Gujarat is the state where there is a lowest housing price index and also, cities like Ahmedabad and surat are the growing industrial hub of the country so it is the opportunity with the state to developing more and more affordable housing and reduce the housing shortage
- ✓ As CM of the Gujarat Mr.Narendrabhai Modi had signed MoU's worth of Rs 134,000 crore, with Global and domestic real estate player for the development of Affordable housing, so it's a positive sign and it also drives the growth of the state.
- ✓ It has been observed that Gujarat had taken highest microfinance from the National housing bank for the development of affordable housing for Slums and Economically weaker section
- ✓ Also there are some hindrances to the affordable housing has been observed like rapid rise in the Cement & steel prices and also increase the labor rates by 140% in comparison with year 2010.
- ✓ Real estate sector experiencing 30% shortage of skilled and unskilled workers that makes delay in the process of construction and moreover to that there is a time lag of approx. 2 year for the preconstruction approval process , that also makes a delay in construction process , and due to that delay there is rise in the prices of materials and Affordable housing becomes more costlier.

Conclusion:-

Concluding this research, it is seen that there are several factors like lower Housing price Index, which are still favorable to Gujarat for the development of Affordable housing scheme and cope up with the housing shortage of the state, but on the other hand there is a rapid growth of the household for that government needs to take necessary actions to make pre construction approval process easier and faster so that state housing shortage can be minimized.

Also some facts related to rise in the price level leads to rise in the prices of the material prices like 140% rise in the labor cost, 54% rise in the cement prices per bag in compare to

year 2010 is a big issue in this industry and because of that construction process becomes more costlier and it directly affects to the prices of the affordable housing.

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“CARBON NEUTRAL INFOSYS BY 2017: A CASE STUDY”

BY

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Abstract

During the turbulent times of 2008, Infosys the IT behemoth initiated green initiatives and set itself an ambitious target of becoming a carbon neutral company by 2012, later revised to 2017. The initiative was a sustainability and corporate citizenship initiative focused on environment emphasizing principles of UN Global Compact.

The company was aware of the outcry about carbon emissions by environmental watchdogs and NGO's throughout the globe and proactively indulged themselves in eco friendly practices. The legislation agencies around the globe were also imposing several laws for disposal and recycling of electronic waste to enforce environment friendly practices amongst corporate.

After a brief period of recovery post 2008 global financial crisis, economy worldwide was again in tatters in 2012-13 affecting major IT markets adversely. In this tumultuous environment of shaky global

economy and intense competition, IT industry's growth was taking a toll. Infosys was also feeling the heat but to a lesser extent as it had invested heavily in “Going Green” phenomenon since last 5-6 years and now it was the time to reap rewards. Infosys not only won accolades for its eco friendly initiatives amongst ecologist fraternity but also its customers. The case study tries to underline various eco friendly initiatives implemented by Infosys and the return on investment on the same. It also highlights the progress of Infosys in achieving the ambitious target of 0 percent carbon emissions by 2017.

Case Study

“The world is in the throes of an environmental crisis that has to be overcome by a second green revolution – one that focuses on the elimination of waste and increases the productivity of natural resources.”

- B. G. Srinivas, Senior Vice
President and Member-Executive
Council, Infosys

Around the globe, countries were becoming more and more concerned about the hazards of global warming and other industrial acts affecting environment adversely. The phenomenon was further strengthened after Copenhagen Summit and countries initiated legal framework to prevent environment hazarding acts and minimise carbon emissions. Prima facie, Information and Communication Technology (ICT) sector was a major contributor in carbon footprints globally.

According to Smart 2020 report, the ICT sector can work as a catalyst in reducing emissions of Green House Gas by around 5 times its share in the carbon basket. Bangalore-based Infosys Technologies Limited (Infosys) being a responsible corporate citizen of society and recognized for its countless CSR projects brought on board in 2007 the ambitious goal of “Carbon Neutral Infosys” by 2012 later revised to 2017.

Infosys motivated their employees by forming various clubs and initiating myriad eco friendly projects. Infosys also extended their supply chain to include their vendors in their carbon reduction drive. But the key question remained, does Going Green actually enhance an organization’s performance on financial front, especially in turbulent times, or is it just propaganda

to build “Environment Friendly” image?

An Overview of Indian Information Technology Sector

The Indian IT sector emerged in late 1960s in an unfriendly environment amongst lack of local markets and unfavourable government policies. Other challenges faced by the industry were high import duty, ineligibility for bank loans (it was not provided with Industry status), lack of appropriate IT infrastructure, scarcity of skilled labour etc. Very few software firms had guts to start their operations in India in such a hostile environment – Tata Consultancy Services (TCS) being the bellwether in 1968. Despite these issues, in 1982, Indian software firms almost tripled its software exports keeping 1979 as the base year against all the odds. In early 1980s, the liberalization of electronics sector and declaration of New Computer Policy gave a shot in the jab to the IT sector. The other major sector boosters were import tariff slash, Industry recognition to software, simplification in import procedures etc.

In early 2000s, Indian Government started several initiatives to enhance IT as a major sunshine sector of its economy which included setting up Special Economic Zones (SEZs), Software Technology Parks (STPs) and Information Technology

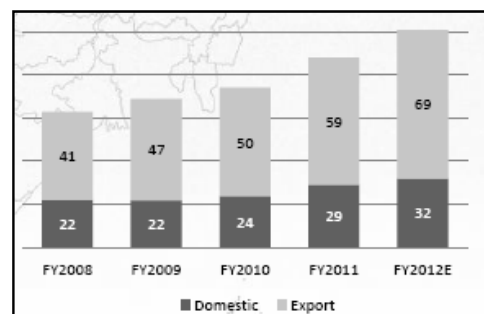
Investment Regions (ITIRs). These initiatives were meant to promote software exports by providing various incentives (tax holidays, exemption from various taxes etc.) to firms operating from these areas. Several IT acts were passed to facilitate and regulate electronic transactions. In 2012, the Government of India had approved the National Policy on Information Technology 2012 which aimed to increase the industry revenues from US\$ 100 billion (in 2012) to almost three fold by 2020.

The IT sector was comprised of four major segments - Software products, IT services, IT enabled services, and hardware. Software products dealt with general or client specific software development. IT services dealt with system management requirement of firms. It provided an IT framework to streamline organizational operations. IT enabled services exploited various ICT tools for providing services like market research , Geographic Information System (GIS), back-office, medical transcription etc. Hardware segment dealt with manufacturing and assembling of computer hardware.

According to National Association of Software and Services Companies (NASSCOM), Indian IT industry rose from \$10.2 billion in 2001-02 to \$100

billion in 2012 (expected). It was expected to touch \$225 billion by 2020. In 2011-12, the growth rate was 14.4% (**Exhibit I**) with exports more than two fold the domestic business. The IT sector's contribution to India's GDP also climbed to 7.5% in 2011-12 from about 1.2% in 1997-98.

Exhibit I
Market Size - Indian IT Industry (USD billion)



<http://www.ibef.org/download/IT-&-ITeS-261112.pdf>, March 2013

The sector was expected to generate 2.8 million direct and 8.9 million indirect employment opportunities in 2012-13. As per a report by McKinsey, the Indian Internet Industry was expected to generate around 22 million jobs by 2015. According to a report by Gartner, the spending on IT in India is expected to grow by 7.7% in 2013 compared to \$66.4 billion in 2012. Department of Industrial Policy and Promotion (DIPP) stated that the cumulative FDI by hardware and software sector between April 2000 and December 2012 was around \$9.63 billion.

Manufacturer's Association of IT¹ (MAIT) stated that the sale of Personal Computer (PC) grew by 16% in 2011-12 against 9.3 million units in 2010-11 expected to grow further to 12.4 million units by 2012-13. According to an AT Kearney² survey in 2011, India was rated as the top global services location followed by China and Malaysia. The availability of huge skilled talent pool was another advantage for Indian IT industry expected to enhance further by 4.4 million graduates in 2012-13. The top Indian companies (based on revenues in 2012) in IT sector included TCS, Wipro and Infosys (**Annexure I**).

Although, the sector was growing at a rapid pace, one cannot ignore the environmental concerns it had created specifically the carbon footprint and the Ozone depleting substances created during recycling of obsolete hardware. The Governments' were also taking positive measures for ensuring minimum loss to the environment by formulating environment protecting legislations.

Going Green – The need of the hour

Major players in IT sector had realized the importance of initiating green movement. It did not required humongous investments

but it could help the organization in fetching 'brownie' points on the environment front by reducing e-waste. The ultra fast advancements in technology led to higher obsolescence in electrical and electronic items which in turn had resulted in the world's fastest increasing waste stream i.e. e-waste.

Globally around 50 million tonnes of e-waste was generated every year. An estimated 0.8 million tonnes of e-waste was generated in 2012 according to Central Pollution Control Board (CPCB). According to a Rajya Sabha Secretariat report, E-waste from discarded computers and mobiles would jump by 500 percent and 1800 percent respectively in India by 2020. In addition to this, India is being used as a potential dump yard by developed countries for dumping or importing e-waste in the absence of proper legislations. Although around 95% of e-waste could be recycled but improper and potentially dangerous recycling methods were hurting the environment very badly.

The Indian Government felt the requirement for proper laws for handling of e-waste and this responsibility was given to Greenpeace³, MAIT, Gesellschaft

¹ MAIT is an apex body representing the computer hardware, training and software industries.

² A global management consulting firm focusing on strategic and operational concerns of organisations.

³ A Netherland based NGO working for environment protection.

für Technische Zusammenarbeit (GTZ)⁴, and Toxicslink⁵. They submitted the legislation draft in June 2009 which was sent for further perusal to the expert committee before the Ministry of Environment and Forests (MoEF) released the final draft of this legislation called “The draft E-waste (Management and Handling) Rules, 2012”. According to this policy, it was the sole responsibility of manufacturer to collect and dispose electronic waste. The manufacturer’s were not only supposed to establish e-waste collection centers but also needed to handle hazardous elements to authorised recyclers to limit the damage to Mother Nature. The dealers were also required to setup a demarcated area for collection of obsolete goods. A notable clause of the policy in RoHS (Reduction in the use of Hazardous Substances) chapter was that all the electrical can electronics equipment manufacturers needed to ensure that new equipments did not contained potentially hazardous substances like mercury, lead, cadmium etc. The manufacturers were given a time frame of three years from the date of implementation of new e-waste rules. The new legislation was expected to come into effect from May’ 2012.

Though the initiation of government to

⁴ A Germany based company working in the field of International corporation for sustainable development.

⁵ A India based environmental NGO.

regulate the handling of e-waste was welcomed by environmentalist groups and common public, it was essential for the corporates’ to understand their responsibility also. Although a large number of companies initiated green movement in lieu of the legal framework that was put into place, Infosys was the trend setter in surge of green revolution. Infosys was amongst the first few IT companies to measure its carbon footprints in 2004 and stepping towards green IT. Other IT companies followed the footsteps of Infosys and started taking environment friendly initiatives, for example, SAP⁶ set itself an internal target for reducing its carbon footprint by 51% by 2020. On the other hand, Wipro Technologies⁷ set up a plant for generation of bio-gas from waste food received from cafeterias. Cisco Systems⁸ expected to reduce its greenhouse gas emissions in absolute terms by 25% by 2012. When the global economy was in tatters, the mantra for many IT companies was “If the going gets tough, Go Green”.

Infosys: Painting itself Green

Being a multi-national organisation, Infosys’ operations felt under legal

⁶ A Germany based software development and consulting corporation.

⁷ Bangalore based IT company.

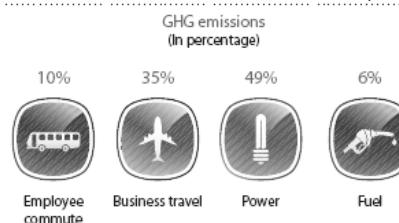
⁸ A US based company dealing in design and sale of electronics, networking and communication technology and services.

jurisdiction of various countries. Owing to issues like global warming, several countries became environment sensitive and they had framed several laws to protect environment from further harm from industries. Corporates' around the globe felt the heat to don the role of environment responsible corporate citizens. By adopting eco friendly practices, companies would be curtailing their cost of operations in long run, reducing their wastes as well as enhancing productivity of their employees. Muralikrishna K, VP and Head-Computers and Communication Division at Infosys Technologies stated: "the most obvious advantage of green IT is of course the aspect of being eco-friendly. Apart from that, it is also of great value to the bottom line. Each of Infosys' initiatives has helped saved a tremendous amount of money through energy and operational efficiencies."

Infosys, kicked off its green movement on five tracks— emission, water, energy, biodiversity and waste. The company began capturing metrics in 2007-08, and marked this as the baseline year for green goals. Infosys, initially started green revolution for its Indian campuses only but with time, it had added many global locations as well as their new campuses. The company's cumulative (direct and

indirect) carbon emissions summed to 324956 Mega tonnes (MT) in 2011-12, maximum contributors being power and business travel. (**Exhibit III**). The amount of ozone depleting substances⁹ released in 2011-12 was 4686 Kg, along with other hazardous wastes including e-wastes, batteries, chemical cans, biomedical waste etc. The power consumption by Infosys summed to 273,251,110 Kilo Watt Hour (kWh) in 2011-12.

Exhibit III Carbon Emissions 2011-12 (%)



Source: "Infosys Sustainability Report 2011-2012",
<http://www.infosys.com/sustainability/Documents/infosys-sustainability-report-2011-12.pdf>, July 2012

It was observed by Infosys that the building accounted for 35% to 40% of total electricity consumption so they pledged their new campuses to be energy efficient. All the Infosys campuses built after January 1st 2008 were at least gold rated as per Leadership in Energy & Environmental Design¹⁰ (LEED) rating system. Infosys had over 1 million square feet of LEED platinum rated area around the globe. A minimum of 30% green cover

⁹ like R22, R123.

¹⁰ An internationally recognised green building certification system.

was maintained by Infosys in all its Indian development centers. The Infosys team forced the vendors to come up with innovative designs that ensured utmost natural light and reduce sunlight heat resulting into considerable reduction in cooling requirements. Even the furniture designs selected were of minimal length or width ensuring the office space requirement to be minimal. Infosys went a notch higher and implemented radiant cooling system in one of their campuses in Hyderabad (LEED platinum rating) in which moving water was used for cooling. The radiant cooling system was 33% more energy efficient than a conventional air-conditioning system as it required less space, equipment and air. The success of radiant cooling system in Hyderabad campus had paved the way for other campuses to follow suit.

Nagaraj Bhat, Director Global Information Services, Applied Materials India¹¹, stated: “A reduction in the firm’s electricity bill is usually the most tangible and easiest Green IT goal to calculate. For the data centers, companies should measure the ratio of total power into the data center against the power that gets into the computing systems (the rest goes for auxiliary equipment including power distribution,

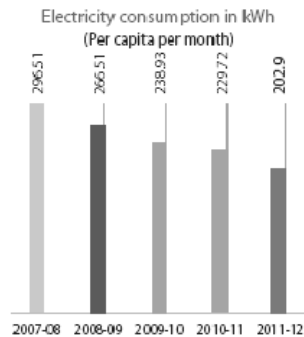
lighting, cooling etc).” Infosys implemented Smart Building Systems (SBS) with sensors to automatically turn off lights, monitors, and IP phones when employees are not at their desks and personal computers. SBS also had water and energy meters to provide real-time data to optimize the power usage. The system was a key input resource for future performance enhancements. During the year 2011-12, 7000 desktops were replaced by newer energy efficient models. Infosys had also deployed automated tools to fix up the shut down time of desktops.

Apart from these steps, Infosys also went for server consolidation and virtualization to reduce the energy consumption of these servers. Infosys also had installed automated tools to shut down servers not in use. Infosys had developed a solution for handling server rooms (Intelligent Server Room Monitoring Solution) that resulted in 15% to 20% of energy savings. Infosys had also started restructuring its IT infrastructure to move from dedicated computing to cloud computing. Infosys had also deployed Plug Load Management Solution to monitor power usage consumption and ultimately save a little bit of it. Rohan Parikh, Head, Green Initiatives, Infosys said: “Trailblazing businesses don't wait for government regulations to act. They understand that

¹¹ US-based nano-manufacturing technology solutions provider.

going green is profitable. In just four years, Infosys has saved 290 million units of electricity translating to US \$32 million in profits. This was possible because we challenged existing designs, added intelligence to our operations and encouraged employees to change their consumption patterns.” Infosys’ per capita electricity consumption was reduced by 33% in 2011-12 as against its 2008-09 levels (**Exhibit IV**).

Exhibit IV
Electricity Consumption Details

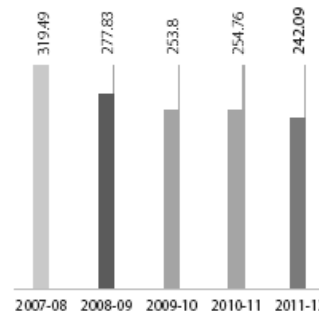


Source: “Infosys Sustainability Report 2011-2012”,
<http://www.infosys.com/sustainability/Documents/infosys-sustainability-report-2011-12.pdf>, July 2012

Infosys also took substantial steps to reduce another major contributor to their carbon footprints, namely, business travel. Infosys motivated their employees to use audio and video conferencing to interact with their peers for curtailing travel expenses and indirect carbon emissions. The rise in audio and video conferencing calls in 2011-12 was 36% and 12% respectively from the last year. Infosys

continually encouraged their employees for using public transport for daily commuting. The employees used bicycles for commuting within the campus. Solar or electric golf carts were used by top executives of Infosys for moving around the campus. Infosys’ total carbon emission for the year 2011-12 was around 146,003,141 KG and achieved 26% per capita reduction in carbon emission as against baseline year 2007-08 (**Exhibit V**). However, the amount of ozone depleting substances released in 2011-12 was higher than that of 2010-11 but with increased scope (**Exhibit VI**).

Exhibit V
Carbon Emissions in Kg



Source: “Infosys Sustainability Report 2011-2012”,
<http://www.infosys.com/sustainability/Documents/infosys-sustainability-report-2011-12.pdf>, July 2012

Exhibit VI
Ozone Depleting Substances

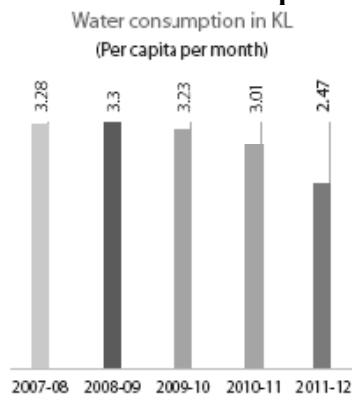
Ozone depleting substances	2011-12	2010-11	2009-10	2008-09
R22 (kg)	2,409	2,253	2,068	2,114
R12 (kg)	—	1	—	—
R123 (kg)	182	240	—	—
R410A (kg)	258	245	—	—
R407C (kg)	750	243	—	—
R134A (kg)	1,087	464	—	—
Total CFC 11 equivalent	135.16	129.73	114	121

Source: “Infosys Sustainability Report 2011-2012”,

<http://www.infosys.com/sustainability/Documents/infosys-sustainability-report-2011-12.pdf>, July 2012

Infosys adopted rainwater harvesting and water recycling methods to use the water resources judiciously. Around 75% of the water consumed was recycled and used for flushing and landscaping. The fresh water consumption was 3,441,416 KL in 2011-12 as against 3,447,062 KI in 2010-11. Infosys was able to reduce their per capita per month fresh water consumption by 23% from the baseline year 2008 (Exhibit VII).

Exhibit VII
Fresh Water Consumption



Source: “Infosys Sustainability Report 2011-2012”,

<http://www.infosys.com/sustainability/Documents/infosys-sustainability-report-2011-12.pdf>, July 2012

Although the company’s operations did not affected biodiversity radically, yet the company thought of keeping this as a primary focus area while implementing its sustainability policy. In India, all the sites of the organization did not posed any kind

of danger to any endangered species. The company had also developed a biodiversity park in its Mangalore campus. Infosys was an aggressive sapling planter (including some endangered plants) having around 226,000 trees in their campuses. The company’s Bangalore campus was a habitat for 40 different (including some rare) butterfly species. Infosys also had implemented “Plant a tree for each new recruit” drive.

The company knew it very well that unless all their stakeholders do not participate actively in their ‘Emission free Infosys’ goal, it was not easy for them to meet the 2017 deadline. So, they involved their employees by forming various clubs. Eco clubs, with the core mission of educating employees about environmental issues, were integral part of all the Infosys campuses. The Eco club of Infosys used to raise awareness about green issues which included events like celebration of World Water Day, Earth Day, Eco fairs for promoting eco-friendly products such as LED lamps, cloth bag etc. Infosys also advocated their vendors to go green by training them on benefits of becoming eco friendly. Infosys worked with only eco sensitive vendors for doing business. They preferred vendors in the vicinity of 500 miles to save on the transportation costs.

The company segregated the waste at

source by recycling plastic, steel scrap, bottles, and paper waste. The company used the wood waste in carpentry works. The food waste was passed on to the piggeries. Infosys motivated their vendors to reuse the material used in packaging for supply of goods to them. The amount of hazardous waste disposed by Infosys in 2011-12 was more than that disposed in the year 2010-11 (**Exhibit VIII**).

Exhibit VIII	
Hazardous Waste Disposal	
disposed	2011-12
	36,000
bers)	852
Tons)	129
ers)	50,223

Source: Compiled from Infosys Sustainability Report of 2010-11 and 2011-12

The company avoided the use of virgin resources in their operations. The company also encouraged judicious use of paper by advocating duplex printing and using e-forms in place of printed forms.

Road Ahead

Going Green was not easy on financial front in volatile economic environments as eco friendly operations came with a heavy price tag. James Quigley, CEO, Deloitte Touche, Tohmatsu said, “Climate change & sustainability will be a likely driver of

future economic development and will have lasting impact on businesses and communities”. Casey Harrell, IT Analyst, Greenpeace International, stated that, “Given the massive energy crisis around the world including caused by depleting & polluting fossil fuel, the next big environmental challenge for consumer electronics companies is to reduce their carbon pollution.” Dr. Alok Bharadwaj, President, MAIT opined that Government should provide fiscal incentives for effective utilization of IT to reduce power crisis and increase awareness amongst customers for using greener products.

Infosys’ goal for 2012-13 was 7% reduction in carbon emissions, 5% reduction in fresh water consumption, rolling out a biodiversity policy as well as training 25% of their suppliers to adopt environment friendly supply chain practices. But the issues hindering the progress of Infosys on green front were, continually growing expenses on green practices, unachieved green targets and the new Government legislation for e-waste management which would further add to their kitty of green expenses.

Moreover, IT sector was going through a rough patch where in the firms thought hard before adopting green practices. Infosys also missed its predicted revenue growth guidance for 2012-13 by 3-4

percent as per NASSCOM's guidance. It remained to be seen whether Infosys would be able to achieve their ambitious target by 2017?

Annexure I

Market Share of major IT companies based on revenues (FY 2012)

Company name	Market share
TCS	10.1%
Wipro	7.7%
Infosys	7.0%
Cognizant*	6.1%
HCL Tech	4.3%
Tech Mahindra	1.1%

Sources Bloomberg, Aranca Rese
Note: * - 2011 (calendar year) revenues were considered for Cogni

Source: "IT & ITES",

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“PROMOTING GOOD GOVERNANCE THROUGH HEALTH, SAFETY AND ENVIRONMENT : AN OVER VIEW”

BY

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Abstract

A corporate firm may be known to customers, Consumers, Public and its competitors because of its range and quality of products / services, huge marketing campaigns, media releases, presence in various nations, turnover of billions of dollars, and lot many other reasons. But just being a big name in Industry and market does not guarantee a respectable position in the minds of public/government/nation.

Each good company must ensure a whole hearted involvement in corporate social responsibility. Charity is not the only means of fulfilling corporate social responsibility. Many of the companies hold themselves responsible for health , safety and environment and consider it to be one of their prime motive. These companies continually improve their policies and methods to achieve higher and higher standards of HSE(Health , safety and Environment). They adopt global best practices to ensure the same.

Environmental, Health, social, Safety and ethical issues are now commonly considered to be core governance issues with tremendous potential impact on financial liabilities and corporate reputation.

Health

WHO has compiled guidelines for nations for occupational health system to guide the organizations stay up to date on good practice in the governance of workers' health. This assists them develop highly efficient occupational health systems.

Safety

Hazards do exist everywhere in all the tasks done by the workforce, be it a highly laborious work or a sophisticated one. It is not possible to eradicate hazards from various steps of work but one can certainly work towards minimizing possible causes of accidents. Various steps can be taken to ensure a safe environment for employees , visitors and customers.

Environment

Environment is everything that surrounds

and affects our ability to live on this planet including essential matters like air , water, earth, plants , animals around us, and much more. This will not perish today but if not taken care of it may perish the mankind.

Introduction

While studying on good governance it is found that HSE(Health , Safety and Environment) is given a very high importance by almost all of leading corporate considering it to be a primary responsibility of the company. For this companies have created strict norms for all the procedures involved in day to day working to ensure that HSE is never compromised with. This increases the good will of the company as workers feel safe at workplace and public at large also feels secured knowing the strict norms adopted by the company. It is also ensured that minimum negative impact is given to environment for betterment and sustenance of mankind for centuries to come.

As a part of the study various arenas of sites under construction and functioning industries were visited across ahmedabad and notes taken are mentioned hereunder. Various guidelines set by International level organizations and various acts related to HSE are being followed by industries and references also have been taken from them like :

Ministry of Environment and Forests

GSDMA(Gujarat States Disaster Management Act 2003)

Occupational Health and Safety Act 2004

Occupational Health and Safety Regulation s 2007

The factories act 1948

The mines act 1952

The Indian Electricity act 1910

A Few Definitions :

Hazard : Anything with the potential to cause harm, injury, illness or loss.

Incident : An event that has led to or could have led to an injury. Incidents include near misses, accidents and injuries.

Injury : Physical damage or harm to a person(includes work related illness)

Risk : A description of the likelihood and consequence of a hazard causing injury or illness.

Safe Work Procedures :

Are documented procedures that show :

The hazards associated with performing a task (which may or may not working in hazardous environment) Safety instructions in doing that task including any checks and precautions to be taken. Any required PPE(Personal Protect Equipment) to protect employees, contractors and visitors, and A list of the persons authorized to supervise and train persons regarding how to undertake the task safely.

Hazard Management

Hazard Reporting

When an persons identifies a hazard, they are required to report it to concern authorities and also document the same with all the relevant information. The employee is to complete all required fields of report. Once the hazard report is completed, the Workplace Manager and/or Management OHS (Organizational Health and Safety) Nominee will be informed through the notification that a hazard has been recorded.

When the Workplace Manager and/or Management OHS Nominee receives the information, they must act upon elimination the hazard..

Examples of hazards that may be reported include:

1. Trip or slip hazards;
2. Storage and/or use of chemicals;
3. Noise associated with the operation of plant and equipment; and
4. Blind corners / uncontrolled traffic intersections.

Hazard Assessment

The Workplace Manager and/or Management OHS Nominee must in consultation with relevant employees, complete a hazard assessment to assess the risk associated with the hazard.

The Workplace Manager and/or

Management OHS Nominee should refer to the OHS Risk Management Procedure for guidance on the hazard assessment process

Hazard Control

To control a hazard, the Workplace Manager and/or Management OHS Nominee, in consultation with the relevant employees, must develop a control policy. This control policy is to be documented against the corresponding hazard report number. The control policy is to be devised in accordance with the hierarchy of control mentioned in the *OHS Risk Management Procedure*.

Health

The industry has to ensure that the work procedures are adopted in such a manner that it does not create health hazards for its employees, visitors, and society at large.

A few examples are given below :

1. **Noise** : whenever any activity going on which creates lot of noise which may hamper hearing capacity of people, the noise is controlled by various means like proper acoustics of the room, use of soft pads in various machineries.
2. **Welding** : when welding is been carried out it creates high luminance which impacts eye sight very badly. Hence, protective

equipments of glass is used at the time of welding.

3. **Waste water** :waster water is not directly discharged in water sources. Rather it is treated with highly sophisticated equipments and impurities are removed after which it is discharged into ponds, lakes, rivers, etc. so as not to contaminate the water of waterbody. Also at many places it is found that sewage treatment plant (STP) is installed which treats the sewage water and makes it of potable quality.
4. **Chemical factories** : A lot many chemical reactions take place in chemical factories which discharge lot many harmful substances including liquid chemical, gaseous evaporations, fine dust or chemical powder particles etc. People working in chemical factories have to compulsorily wear face masks to avoid inhalation of poisonous gases. They also have to wear aprons to protect their skin as well as clothing form chemicals. Few gases are treated with neutralizers before discharging in atmosphere. The liquid discharges are treated to make them colorless and free of harm full substances before discharging it outside the factory.

5. Apart from physical health mental health is also off equal significance. To take care of mental health a large number of companies engage their employees in activities like Yoga, indoor games, sports and entertainment.

Safety

In simple terms we can state that absence of hazard is safety. But practically it is impossible to eradicate all possible hazard from any given place. So to ensure minimum hazard and risks safety procedures are documented and compiled to be followed during all kind of operations. A few examples are given below:

1. **Fall hazard** : whenever any work going to be carried out at height more than 2meters various safety parameters are followed like railings up to the height of waist, safety belts, helmets and other protective equipments to protect the bone joints
2. **Slip hazard** :a minor slip because of a simple act like water spillage can cause a serious fracture or a head injury resulting into the death of the person. It is ensured that the floor never remains wet. When the floor is being mopped a caution signage of WET FLOOR is placed. Whenever any oil or grease is spilled on the floor, the floor is immediately cleaned with detergent to

- make it non slippery. As an immediate corrective action like in case of oil spillage on road a layer of sand can be applied. Wearing rubber soled shoes also help in preventing slip hazards.
3. **Sprain / Strain hazard** :out of a small negligence while moving things or lifting objects it can cause a major sprain or strain in waist muscles or elsewhere. To avoid such kind of hazard the workers are advised to always use proper body postures while doing the work. For example, while lifting a heavy object a person should keep knees bent and back straight. Also an object should be carried from middle or from two ends for proper balancing. If required simple machines can be used for ease of work.
 4. **Electrical shock hazard** :electrical safety taken one of the highest priorities while constructing a site and getting it ready. Numerous rules and guidelines are followed while doing electric work a few of which are mentioned here:
 - a. Always wear safety shoes while doing electric work.
 - b. Never handle electrical wires with open hands.
 - c. Always use equipments like transformers, cables, wires, etc. of proper ratings as per the current flow.
 - d. Use proper circuit breaker switches like MCB, ELCB, RCCB, etc. to avoid shock and damage to equipment.
 5. **Fire safety** :a small spark can get converted into a massive fire and can destroy life and property. Fire generates out of fire triangle: oxygen, fuel and heat point being the three components of triangle. To cease the fire any one of the three is removed to stop the fire. Whereas fire safety equipments including manual and automated items are installed in various industries a few of them are listed here:
 - a. Fire extinguisher (there are various types of fire extinguisher available like dry power, co2 type, foam based, etc.)
 - b. Fire buckets (Containing sand)
 - c. Water splashing
 - d. Water sprinklers – they work automatically when fire occurs. Because of rise in temperature , the glass tube filled with mercury bursts on mercury expansion and pressurized water automatically sprinkled.
 - e. Smoke detectors –they get activated when exposed to smoke and intern activate the alarm and show the location of smoke in the integrated management system(IMS).
 - f. Heat detectors -they get activated when exposed to heat and intern activate the alarm and show the location of smoke in the integrated management system(IMS).

Environment

Protecting environment from your business procedures is more of ethical concern than a legal obligation. One should carry out a business in such a manner that there is a minimal impact on the natural resources like air, water, land, etc. Various steps are taken by the industries for this cause a few of which are mentioned below :

1. Cutting of trees is illegal.
2. Poisonous gases are not discharge in atmosphere.
3. The outlet of chimney is kept at a height.
4. Filthy water is not discharge into water bodies.
5. Renewable sources of energy are used as widely as possible.
6. A majority of material of plastic, glass etc. is recycled.
7. A cess is to be paid against usage of under ground water as per the quantum used.
8. As per the Batteries (Management and Handling) Rules, 2001, batteries used by the industries can not be disposed but are to be recycled.
9. A lot many forms of industries are not given licenses to operation near by forest cover.
10. Natural sites have lot many restrictions on usage of plastics, vehicles, sound etc.

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**“ROLE OF GOOD GOVERNANCE
IN ENHANCEMENT OF MEDIA EFFECTIVENESS: AN INSIGHT”
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ABSTRACT

Media can be major force for transforming society. To fulfill this role, the media need room to maneuver. Strict government regulation and censorship make media ineffective and lose their flare and too lenient regulation may lead to mollified practices, domination of media and lose their credibility. What needed are the policies that impose responsibilities as well as freedoms on the media actions and words. Effective media need good management with better professional and technical skills. Responsive media acts as an additional check and balance on society, fosters an environment of accountability, provides public forum for debate and encourages an informed and educated citizenry. An analysis of current scenario raises questions in mind like how much code of conduct of media is required? Is it acceptable to impose ethical or social standards on contents? The paper explores how media can strengthen their credibility in eyes of public and be

partners in society transformation. Various cases have been discussed where media have really played responsible roles. In true sense, there is hope for emergence of increasingly vibrant and responsible media. To make it happen, good governance & strategies are needed to ensure their proper functioning to fulfill its remit in the information society.

Keywords: Media, Society.
Transformation

: An Insight

1. Introduction

Media are used in the context of mass communication as the channel which fulfills the linear model of information's transmission. It affects how people perceive and understand the world. The media includes radio, television, video film, newspapers, magazines, pamphlets and posters, the internet, e-mail and telephones, theatre, dance, music and puppetry meetings of all sorts (e.g. workshops and participatory exercises, such as Participatory Rural Appraisal or other community-level work) . Media has

always been considered the watchdog of the society. In a vast and diverse democracy like India, it is of utmost importance that the media functions without any form of bias and prejudice and act as a change agent for society by informing and educating the audience about a huge variety of issues relating to different perspectives. Media conducts various debates, discussions, talk shows and so on to help bring these critical issues into the public sphere. Various operations like Tehelka scam, Bofor's scandal, murder case like Jessica Lal & Priyadarshini Mattoo were carried out to report the facts to the nation.

The important issue is how comprehensive and effective are legislation and freedom of information provisions in giving the legislature, citizens and the media access to all information types. Freedom of the press is frequently trumpeted by revolutions when dictators' fall. The most important point to understand is that, even in the most advanced democratic states, freedom of the media is a fluid concept. Proper governance of media plays a crucial role in the transformation of society by reshaping its political, economic and social aspects.

2. Conceptual Development

Media is tool used to store and deliver information or data. Media regulation in India is debatable issue. Cases like three media people including two employees of the India TV news channel were accused of trying to extort money from a traditional Unani healer, after apparently filming him prescribing Western medicine to patients and correspondents from India TV and ABP

News involved in an extortion case highlights that the self-regulation model has failed in India. The industry doesn't need a regulator to seek reporting approvals, or to get story ideas vetted or sources verified. Media ethics is the subdivision of applied ethics dealing with the specific ethical principles and standards of media. Media ethics are a complex topic because they deal with an institution that must do things that ordinary people in ordinary circumstances would not do. Reporters face a range of ethical issues on a regular basis like *truthfulness, conflicts of interest, sensationalism, authenticity and appropriateness of photograph, manipulation and so on. Ethicality of media is always questionable factor. Media peoples should take responsible decisions highlighting the priority and importance of news. Media managers play a vital piece of puzzle of engaging with the media on how it should become more accountable to the interests of public.* Media accountability is essential as it plays crucial role in development phase of India.

3. Review of Literature

Media is a medium of the message. The quote implies that a medium affects the society in which it plays a role not only by the content delivered over the medium but by the characteristics of the medium itself (McLuhan, 2003). Schultz (2004) claims that media provide a contact with a social reality and give people access to the events which they cannot experience. N. Ram (2011) said that to ensure professional and social accountability, the media required to address the demands for well-considered and progressive reforms that expanded the scope of media freedom. As per Ravi

(2007), media freedom in India is considered 'incomplete' because the print media and the broadcast media have not been placed on an equal constitutional and legal footing. Media plays one of the crucial roles behind the formation of public sphere. (Panikkar, 2004)

4. Media Governance in Partnering Society Transformation

The media has a huge impact on the society. The effects are of course, positive as well as negative. Media is such a powerful tool that it literally governs the direction of our society today. It is the propeller as well as the direction provider of the society. Opinions can change overnight and celebrities can become infamous with just one wave by the media. Media has both shades.

The brighter side reveals that media helps to transmit information on the latest happenings to the remotest corners of country in just a matter of minutes so that everyone is aware of what is going on in the country. It is one of the most reliable sources for forming public opinion. It bridges the gap between the leaders and the masses by becoming their channel of communication. It brings into open the innumerable achievements that are going on in the country. Media gives ordinary people the power to reach out to the society as a whole. It can make heroes out of ordinary men. The media acts as a deterrent on corrupt practices and keeps a check on the working of the government. Media has significantly promoted social causes like literacy, health management, anti-dowry practices, discouraging female feticide, AIDS awareness, etc. On the contrary, media can adversely affect the thinking capability of individuals and

instill negative or destructive thinking patterns in the society as a whole. Media can glorify violence. When viewed by the vulnerable portion of the society like children, it can have grave effects on their upcoming and thinking patterns.

Despite darker side, today media have become more responsible, reliable, accountable transparent and change agent for society. They have gained credibility in eyes of public by helping and holding hands of people of society on various issues. The obvious reason is better governance and proper structure. Media have ensured professional and social accountability which requires addressing the demands for well-considered and progressive reforms that expand the scope of media freedom. With the help of technology, electronic drop boxes and platforms, they have encouraged and enabled whistle-blowing.

Exploring the brighter and responsible actions, some cases are discussed to reveal better governance of media and their responsible role in transforming and helping society.

4.1 Corruption

Media have contributed significantly to bringing the issue of corruption to political India's centre stage. U.S. Embassy Cables, accessed by The Hindu through WikiLeaks, and the battery of cable reports and cable journalism have played a catalytic role, inspiring the anti-corruption campaign in India. The huge response, especially in urban India, to Anna Hazare's anti-corruption campaign centering on the demand for a radical Jan Lokpal Bill, speaks to the centrality of the issue. In 2001, a popular newspaper from India

called Tehelka launched its first major sting operation, “Operation West End” to expose the alleged culture of bribery at the India’s Ministry of Defense. The newspaper had two reporters pose as arms dealers from a bogus company in London. The undercover video showed several politicians and defense officials, including the secretary of the ruling party BJP, Bangaru Laxman, discussing and taking bribes for helping them procure government contracts. After the tapes were made public, Laxman and Defense Minister George Fernandes resigned, and several additional defense ministry officials were suspended.

4.2 Racism

Racism has existed throughout human history. It may be defined as the hatred of one person by another because of skin color, language, customs, place of birth or any factor that supposedly reveals the basic nature of that person. Yannick was an IT student at the incongruously named “Lovely University”. He was one of the African students who were savagely attacked by a gang of Punjabi youth in Jalandhar. A passing auto rickshaw driver took the unconscious Yannick to hospital, where he remained on life support for weeks. Despite numerous complaints from his friends and family, and even two letters from Yannick’s father to the Punjab chief minister, there was no action from either the police or the state machinery until the national media took up the lead and fought for him. It was really self-congratulatory tone taken by the media about its role in forcing the Punjab government to finally do something about Yannick Nihangaza.

4.3 Casteism

Today, caste system is one of the biggest impediments in the path of India’s success as a country. This system makes the power and resources of country divided causing disharmony and hatred among common people. Just after independence, Indian Union banned all kinds of untouchability even though harassment of Dalits in Tamil Nadu continues. Dalit’s face atrocities and discrimination at upper castes’ hands. But now there is some ray of hope emerging as media is quite awake and alert in covering and propagating issues of atrocities on Dalits in Tamil Nadu. Media is finally realizing its responsibility towards the masses and showing the true picture of the city. It’s true that something is better than nothing.

4.4 Gender Inequality

Women’s empowerment in India is still has a long way to go. Media have actively raised their voices on gender inequality in education, employment opportunities, workplace, sports, property, pay packages and so on. Media have taken a collective action to fight the evil by voicing their concerns. Women’s participation in sport has a long history. It is a history marked by division and discrimination. The best example is Indian Cricket and hockey where males have been dominating since years. It was only after media actions, some respect and money started generating for women sports.

4.5 Child Abuse, child labor and child marriage

Child marriage, child abuse and child labour are big curse on Indian society. Over the years, various campaigns have

created awareness for the need of child protection and sensitized the issue of marginalized children. There are many articles and coverages by media relating to these issues. Sexual abuse of children is a very real problem in India, and the situation is aided by the absence of effective legislation and the silence that surrounds the offense. Disbelief, denial and cover-up to preserve family reputation has made child sexual abuse an invisible crime in India. With the help of media, various issues and cases are brought to surface and solved. Two child marriages were averted in Kananwadi village, eight Assamese children rescued from Bonded Labour in Shimla, Lasudic Police busted gang that forced children to beg and these all credits go to media activeness.

4.6 Rape and Murder

Rape is a form of violence incorporating societal perceptions of masculinity and femininity. Priyadarshini Mattoo was a 23-year old law student, living in Delhi. She was found raped and murdered at her New Delhi residence in 1996. The prime accused, Santosh Kumar Singh, had been harassing and stalking Mattoo for about two years prior to killing her. Mattoo had filed a police complaint against Singh but nothing happened as he belonged to an influential family. The State had failed to bring home the charge of rape against the accused due to the lack of evidences. The final verdict of this case met with severe public outcry and heavy criticisms from the media. Then, Santosh Singh had caught the collective attention of the media as well as of the public. This was followed by widespread mass protests and media arose to this occasion. Media picked up on the fact that despite so many clinching

evidences, Singh had managed to walk out of jail, as a free man, without being proven guilty of a single charge. Media used its powerful tool of investigative journalism to find out the lapses in the murder case and very soon the case was reopened. The widespread public outrage was creating intense pressure on the CBI and the Indian judiciary. CBI ultimately submitted an appeal against the verdict of the District Court in the Delhi High Court. This was considered a milestone achievement by the Indian media. Intense media coverage by various news channels and newspapers was creating a strong pressure on the CBI and the judiciary. The intense scrutiny by the media had helped the case to be reopened. Finally, on 17th October, 2006, the Delhi High Court pronounced Santosh Kumar Singh guilty under sections 376 (rape) and 302 (murder) under the Indian Penal Code and was awarded death sentence.

4.7 Hit and Run case

An accident or mishap is an unforeseen and unplanned event or circumstance, often with lack of intention or necessity. There are many hit and run cases in India waiting for justice. Sometimes active role of media in collecting evidences help to reopen the cases. One of the case is of Sanjeev Nanda. Sanjeev Nanda, a businessman in 1999 was convicted for running over and killing six people, including three policemen by his BMW. The car was then driven to a home where a watchman and driver were instructed to clean the bumpers and bonnet of the car. A few days later, a witness came forward to describe the scene. At the time of the crash, he was on his way to the railway station. In the initial court case, Nanda and

five others were acquitted after many years because the court did not find any of the witnesses reliable and the defense was able to make the case that it was perhaps a truck and not Nanda's car that had caused the deaths. During the initial trial, the only survivor, said that it might have been a truck that hit them. Nanda spent a few months in jail and was released on bail in May 1999. NDTV carried out a sting operation in which the defense attorneys were filmed offering money to the witness. Later the Delhi High Court barred the advocates from practicing for four months. The case went up for re-trial and was tried on a fast-track basis where he was convicted by Delhi court for killing six persons and in September 2008, he was sentenced to five years in jail.

4.8 Awareness campaigns

Raising awareness is a common phrase advocacy groups use to justify a particular event, brochure or even the entire organization. Raising awareness refers to alerting the general public that a certain issue exists and should be approached the way the group desires. Many times media does awareness campaigns on regular basis and these campaigns do produce results. Some of the campaigns are pre election voter awareness campaign, safety campaigns, polio and health campaigns and so on. Generating awareness on various social evils like dowry, female foeticide and infanticide etc. have also led to the decline in the incidence of them generating awareness on good practices like health, hygiene, nutrition etc thereby improving the living standards. Media have also played key role in HIV issues. Broadcasters are mainstreaming the HIV issue across a

number of programs, ensuring that the message permeates a diverse range of output, not just outlets and public service messages dedicated specifically to the issue. The fact that virus affects all sections of the society is reinforced in such a way that many people who might not pay attention to a traditional AIDS campaign or who do not choose to watch AIDS programming, are exposed to HIV/AIDS messages. A coordinated, multifaceted campaign are done by media to have greater impact.

4.9 Saving Animals

From around 40,000 at the turn of the last century, there are very few tigers left in India today. The current tiger population of India constitutes over 50% of the world's tiger population. The coming years are extremely crucial for the long term survival of the tiger. NDTV-Aircel Save Our Tigers campaign was a social campaign to create awareness about the alarming state of the tiger in the Country, encourage tiger conservation and save tigers from extinction. The campaign was supported by India's Superstar Amitabh Bachchan, Sanctuary Asia, India's premier wildlife magazine and the Wildlife Conservation Trust, an organization deeply involved in conserving tiger habitats across the country. The campaign provided a platform to tiger conservationists for issues to be raised, engaged key stakeholders in discussions and provided concerned citizens an opportunity to voice their opinions and contribute to the cause. Campaigns ignited people across the country. There were marches, cycle rallies and signature campaigns demanding that the government act before it's too late. A series of special tiger programmes were

telecasted to highlight the situation and challenges facing our national animal. The campaign in its first year itself, helped bring forth a common agenda for tiger conservation which was presented to Chief Ministers of key tiger states, who committed their support to take affirmative action on-ground.

4.10 Knowledge provider

There are various shows and programmes conducted by media which help public in their decision making regarding finance, investment management, savings, property, car purchase, share market, gadgets and so on. CNBC AWAAZ'S Pehredar is an programme which addresses consumer grievances across sectors and protects their interests by helping them solve their problems and bringing them justice. It aims at enlightening and encouraging the citizens of India to become aware of their rights as a consumer. It aims to unite the public and offer them a platform to voice their grievances against defaulting companies offering products or services

The Money Gurus is a show which provides trusted consultancy to both educate and give sound financial advice. One can ask questions about savings, income or investments and gain knowledge

Public Forum on Lok Sabha TV shows panel of experts who discuss and debate over current issues pertaining to the Indian economy, public issues and society at large. Viewers also participate via telephone.

Barkha Dutt's show "We the People" leads a live audience in grilling politicians and

newsmakers about a topic of current interest. Be it the election battle in the political corridors of power, or terror in the sub-continent, be it politics in the age of TV or the effect of reality TV on society, be it the latest war between morality per se and all that's modern and the debate does not stop here!

All cases highlight that media have realized their responsibility in true sense. They clearly understand what they stand for and in what ways they can help and develop society. With the passage of years, they have increased their credibility in the eyes of public by reporting sense and truth without fear. Their ethicality and social standards of contents are always doubted but as far as they are doing good work for society, they can be ignored.

5. Conclusion

From developed countries mired in economic woes to developing countries aching for change, people and especially young people found a voice. Where their voices had been muffled and ignored, new voices—stronger, more powerful and using communication tools—have emerged. For the media to be relevant, and for society to be able to demand the best, the media must be free and independent and the media must feel bound by the values, interests and aspirations of the people. Media's role in good governance should be unbiased reporting/coverage of facts only. Facts should never be present as such if there is any degree of media personal bias.

To make these media more responsible and accountable, there should be legislation to establish independent regulatory bodies and the scope of regulations and codes of

conduct should be clearly mentioned. Management, organization and finance of regulatory bodies must also be given utmost importance. These bodies must ensure compliance and penalties for non-compliance. To avoid the creation of big new regulatory bureaucracies, it may be acceptable to leave the quantitative aspects of regulation like elements of transmitter coverage, hours broadcast, advertising in the hands of the relevant ministry but in qualitative matters like content and treatment should be in hands of independent non-governmental body which would function to preserve the freedom and independence of the media, ensure code of conduct, provide independent judgment on breach of code of conduct. The regulatory body should be resourced by the media operators themselves, in order to preserve the principle of regulation. More regulation is not a way to address media related problems. This requires media reform and better enforcement of journalistic norms by peers in the profession and post-publication prosecution.

Media can promote confidence or cause despondency in a country through news reports. It can empower citizenry to hold governments to account on development and governance. With the good, strong, positive and progressive media, the country can progress at a very fast rate, much faster than now. The coming of a progressive media will air our growth and our development.

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Schultz (2004, p. 87) claims that media provide a contact with a social reality and give people access to the events which they cannot experience.

“CORPORATE GOVERNANCE IN PUBLIC SECTOR-WITH SPECIAL REFERENCE TO MAHARATNA COMPANIES”

BY

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ABSTRACT:

The Govt. of India has taken a number of steps over the years to improve the efficiency of its Central Public Sector Enterprises. Corporate governance has been an important part of economic reforms, aimed at improving the performance. The underlying goal is to reorient the state's role away from a market player to a market regulator and away from day-to-day mgmt. of CPSEs towards exercising its core ownership rights based on sound corporate governance principle. The governance framework for CPSEs is consistent with several aspects of international good practice. All most CPSEs are corporatized and come under the same laws as private sector companies. Clause 49 of the listing agreement has helped put listed CPSEs on the same footing as private companies and the 2007 corporate governance guidelines have helped to extend these practices to non-listed CPSEs. CPSEs boards are

required to have independent member are now bringing in directors with private sector experience. Corporate governance reforms are and should be seen as part and parcel of the broader CPSE reform program rather than as stand alone. Reforms aimed at improving governance such as board appointment and empowerment, Separation of ownership, tightening of budget constraints and bringing in private sector participation. Second GOI also targeted corporate governance efforts at Maharatnas, Navratnas and Miniratnas companies.

INTRODUCTION:

The Govt. of India has taken a number of steps over the years to improve the efficiency of its Central Public Sector Enterprises. Corporate governance has been an important part of economic reforms, aimed at improving the performance. The underlying goal is to reorient the state's role away from a market player to a market regulator and

away from day-to-day mgmt. of CPSEs towards exercising its core ownership rights based on sound corporate governance principle. The governance framework for CPSEs is consistent with several aspects of international good practice. All most CPSEs are corporatized and come under the same laws as private sector companies. Clause 49 of the listing agreement has helped put listed CPSEs on the same footing as private companies and the 2007 corporate governance guidelines have helped to extend these practices to non-listed CPSEs. CPSEs boards are required to have independent member are now bringing in directors with private sector experience. Corporate governance reforms are and should be seen as part and parcel of the broader CPSE reform program rather than as stand alone. Reforms aimed at improving governance such as board appointment and empowerment, Separation of ownership, tightening of budget constraints and bringing in private sector participation. Second GOI also targeted corporate governance efforts at Maharatnas, Navratnas and Miniratnas companies.

OBJECTIVE OF THE STUDY:

This study has been made to evaluate the state of compliance of requirements of corporate governance in Maharatna companies in line with the mandatory and non mandatory requirements stipulated by

the Clause 49 of SEBI listing agreement. It measures the board effectiveness in terms of quality of governance practices in annual reports.

This paper is based on (1) overview of Maharatna companies(2) a diagnostic review of legal and regulatory framework for CPSE governance.(3)the findings and recommendations of various commission(4)An analysis of corporate governance practices in Maharatna companies like COAL India,IOC,NTPC,ONGC,SAIL,BHEL and GAIL.

MAHARATNA STATUS:

In 2009, the government established the Maharatna status, which raises a company's investment ceiling from Rs. 1,000 crore to Rs. 5,000 crore.^[12] The Maharatna firms can now decide on investments of up to 15 per cent of their net worth in a project; the Navaratna companies could invest up to Rs 1,000 crore without explicit government approval.

SAMPLE SIZE:

Maharatna Scheme was introduced for Central Public Sector Enterprises (CPSEs), with effect from 19th May, 2010, in order to empower mega CPSEs to expand their

¹² [^] ["Maharatna status for mega PSUs gets nod". The Times of India.](#) 25 December 2009. Retrieved 29 December 2009

operations and emerge as global giants. The objective of the scheme is to delegate enhanced powers to the Boards of identified large-sized Navratna CPSEs so as to facilitate expansion of their operations, both in domestic as well as global markets. Following CPSEs have been identified as Maharatnas:

1. COAL INDIA LTD.
2. INDIAN OIL CORP.LTD.
3. NTPC LTD.
4. OIL & NATURAL GAS CORP.LTD.
5. STEEL AUTHORITY OF INDIA LTD.

The government granted Maharatna status to BHEL and GAIL, a development which will provide them greater financial and functional autonomy and also ensure better valuation for shares of the two PSUs.

6. BHARAT HEAVY ELECTRICALS LIMITED
7. GAIL (INDIA) LIMITED

"The competent authority has approved the grant of Maharatna status for BHEL and GAIL which will give these public sector units greater financial autonomy," Secretary in the Department of Public Enterprises (DPE) O P Rawat told PTI.

However, both these PSUs do not have the requisite number of non-official directors on its board and are therefore not eligible

to exercise the Maharatna powers till the time required number of officials are appointed on their boards. "Though these companies meet the other norms set by the government, their boards do not have the adequate number of independent directors," the official said. According to sources, BHEL is short of 6 non-official directors, while GAIL is short of 4 independent directors. As regards BHEL, the company's net profit stood at Rs 7,039 crore on a turnover of Rs 49,244 crore. The entity's net worth stood at Rs 25,373 crore during 2011-12^[13].

The development will help the government get a better price for its equity in BHEL which will be offloaded as part of the disinvestment programme. The government is proposing to sell the equity in the power equipment major in the next fiscal. The DPE has asked the Ministry of Petroleum and Natural Gas and the Department of Heavy Industry to take immediate steps to induct requisite numbers of non-official directors on boards of the two companies so that their boards could exercise delegated Maharatna powers.

SOURCES OF DATA COLLECTION:

The study is based on secondary data. The

¹³ [△] Source: Department of Public Enterprises (as on May, 2012)

data has been collected from annual published accounts of these companies.

LIMITATION OF THE STUDY:

The paper's scope is limited to Maharatna companies which are defined as non-financial enterprise with a corporate form in which the national Govt. holds directly or through other CPSEs 51% or more of ownership. It does not include state owned enterprise like railways, post, state owned financial institution likes banks and insurance companies. This study is based on secondary data so it may be affected by the inherent limitation of secondary data. While these are presently excluded, many of paper's findings may apply to these enterprises.

FUNCTIONING OF THE BOARDS FOR MAHARATNA BOARDS:

In the BODs surveyed by us there are Director Finance and Director Personnel, along with a CMD, for example ONGC has Director Exploration, director Production., Director Refinery and director Marketing and SAIL and NTPC have Managing Directors for its four different plants and functional directors are in finance, projects, commercial, R & D and operations. BHEL has Director for Power, Ind.Sys.Production. It is observed that while PSEs have directors of the executive directors in these units, it is observed that while PSEs have directors specializing in particular functional areas, the private

companies have general directors as inside directors as well.

Functions of Directors	PSE's in which such functional directors exist amongst Seven PSE's surveyed*
CMD	All companies other than SAIL
Chairman	SAIL
MD	SAIL
Director (Finance)	All companies
Director (HR)	All companies
Director (Operations)	ONGC, SAIL, NTPC
Director (Projects)	GAIL, SAIL, NTPC
Director (Drilling)	ONGC
Director (Commercial)	SAIL, NTPC
Director (Exploration)	ONGC
Director (Ind. Sys. Products)	BHEL
Director (Planning)	GAIL, SAIL
Director (Power)	BHEL
Director (Eng. Res. Dev.)	BHEL
Director (Technical)	ONGC, NTPC
Director (R & D)	SAIL

*Sources: Companies websites

Government directors, referred to as part time official directors, are appointed by the administrative ministries and are officers dealing with the concerned enterprise, usually there are two part-time official directors – are preventative of the administrative ministry and financial adviser of the ministry.

DELEGATION OF POWERS TO MAHARATNA CPSES

The Boards of Maharatna CPSEs have been delegated the following powers:

To incur capital expenditure on purchase of new items or for replacement, without any monetary ceiling

To enter technology joint ventures (JVs) or strategic alliances

To obtain technology and know-how by purchase or other arrangements

To effect organizational restructuring including establishment of profit centre, opening of offices in India/abroad, creating new activity centers etc.

To create below Board level posts up to E-9 level and to wind up all below Board level posts. The Boards of Directors of these CPSEs will have powers to make all appointments, effect internal transfers and re-designation of all below Board level posts.

To structure and implement schemes related to personnel and human resource management and training To raise debt

from the domestic capital markets and international markets, the latter being subject to the approval of RBI/Department of Economic Affairs, as may be required. Approval for the same should be obtained through the administrative Ministry.

To make equity investment to establish financial JVs and wholly owned subsidiaries and undertake mergers and acquisitions (M&As) in India or abroad, subject to a ceiling of 15% of the net worth of the concerned CPSE, limited to Rs.5.000 crore in one project. The overall ceiling on such investments in all projects put together will not exceed 30% of the net worth of the concerned CPSE.

The Board of Directors shall have the powers for M&As, subject to the conditions that (a) it should be as per the growth plan and in the core area of functioning of the CPSE and (b) the Cabinet Committee on Economic Affairs (CCEA) would be kept informed in case of investments abroad. Further, the powers relating to M&As should be exercised in such a manner that it should not lead to any change in the public sector character of the concerned CPSEs.

CMD is empowered to approve international business tours of functional Directors up to 5 days duration (other than study tours, seminars, etc.) in emergency, under intimation to the Secretary of the Administrative Ministry. Holding

companies are empowered to transfer assets, float fresh equity and divest shareholding in subsidiaries subject to the condition that the delegation will only be in respect of subsidiaries set up by the holding company under the powers delegated to Navratna/Maharatna CPSEs and the public sector character of the concerned CPSE would not be changed without prior approval of the Government, and such Maharatna CPSEs will be required to seek Government approval before exiting from their subsidiaries.

The exercise of Maharatna powers would be subject to the same conditions and guidelines as laid down by the Government in respect of Navratna CPSEs from time to time. These conditions and guidelines as they stand on date are as under.

The Boards of these CPSEs should be restructured by inducting requisite number of non-official Directors as per SEBI guidelines, subject to a minimum of four.

All the proposals, whether they pertain to capital expenditure, investment or other matters involving substantial financial or managerial commitments or where they are likely to have a long-term impact on the structure and functioning of the CPSE, should be prepared by or with the assistance of professionals and experts and should be appraised, in suitable cases, by

financial institutions or reputed professional organizations with expertise in the area.

The proposals must be presented to the Board of Directors in writing and reasonably well in advance, with an analysis of relevant factors and quantification of the anticipated results and benefits. Risk factors, if any, must be clearly brought out.

All the Government Director(s), the Financial Director and the concerned Functional Director(s) must be present when major decisions are taken, especially when they pertain to investments, expenditure or organizational/capital restructuring and exercise of Navratna/Maharatna powers.

The decisions on proposals listed in the above point should preferably be unanimous. In the event of any decision on such matters not being unanimous, a majority decision may be taken, but at least two-thirds of the Directors should be present.

No financial support or contingent liability on the part of the Government should be involved. These CPSEs shall not depend upon budgetary support or Government guarantees. The resources for implementing their programmes should come from their internal resources or through other sources, including capital markets. However, budgetary support to

implement Government sponsored projects of national interest and Government-sponsored, R&D projects will not disqualify CPSEs from retaining their Maharatna status and for such projects, investment decisions will be taken by the Government and not by the concerned CPSE.

SELECTION OF NON-EXECUTIVE DIRECTORS ON MAHARTNA COMPNIES BOARDS:

Selection processes should take cognizance of composition, domain/industry knowledge, roles, responsibilities, training and compensation. Non –executive directors on Mahartna boards are under compensated in comparisons to non-executives on private sector boards and this poses challenges in getting the right composition on PSU boards. It is therefore important to raise the compensation levels of non-executives on PSU boards. It is vital to widen the pool of non-executive directors available to serve on boards to include candidates from private sector as well. While the Maharatnas' board can continue to play a critical role in short-listing candidates and maintain a database of eligible candidates, the PSU boards and CMDs should play a larger role in board succession planning. There are big gaps between the governance standards

prevalent in the larger and more profitable disinvested Mahartanas versus the smaller and not so profitable ones. Functional directors on the larger, profitable and better performing Mahartanas should be allowed to assume non-executive director roles in the smaller and not so profitable PSUs so as to promote better sharing of good practices. This is also essential if the wide gaps between the prevailing standards in state and central PSUs have to be bridged.

COMPLIANCE WITH THE SEBI LISTING AGREEMENT:

Several Maharatna PSUs (that are listed) have been non compliant with Clause 49 of SEBI Listing agreement. At a time when the Ministry of Corporate Affairs is placing greater emphasis on how corporate India implements the voluntary guidelines governance. It is disconnecting to note that the Maharatna PSUs are falling behind in complying with minimum requirements envisaged in Clause 49. One way of dealing with non-compliance is to make unambiguous disclosures within the director's report and the corporate governance report and thereby hold the PSU boards and managements accountable. The corporate governance norms for Central Public Sector Enterprises released in 2007 being mandatory for a lot of PSUs including unlisted PSUs is a good step, but the

implementation needs to be considered.

AUDIT AND ACCOUNTS:

Appointment of statutory of PSUs should be the responsibility of the PSU audit committees. The CAG's role should be recommending firms that would fit the bill based on robust criteria. As required by Clause 49 of the SEBI listing agreements, the audit committees of Maharatnas PSUs should be involved in many aspects of external and internal audit processes appointment of the auditors ,approval of audit plans, audit fees and performance reviews.

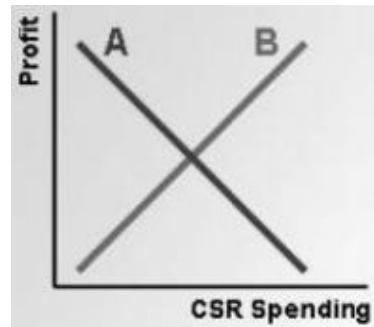
The audit committees should also engage in extensive private sessions with auditors (both internal and external). Recent CAG reports have indicated PSUs for deficiencies in financial reporting including within audit reports and disclosures. Some of these deficiencies have raised questions with respect to the quality of audits within PSUs. As recommended within the voluntary guidelines on corporate governance, PSUs should consider adopting a risk-based approach to internal audits and supplementing in house internal audit functions with external services providers in areas requiring specialist skills.

MAHARTNAS' CORPORATE SOCIAL RESPONSIBILITY

BUDGETS:

Source: INDIACSR News Network

At a time the government is planning to



make it mandatory for all companies to set aside 2% of their

previous year's profit for corporate social responsibility (CSR) activity, data released by Govt shows that maharatna and navratna public sector undertakings (PSUs) have not been able to fully spend

their CSR budget. Data released by the ministry of heavy industries & public enterprises show that the five maharatnas – ONGC, Coal India, IOC, NTPC and SAIL – managed to spend just 49% of the combined budget for three years beginning 2009-10. The spending budget for most PSUs is updated till end September 2011. The combined spending of the navratnas was higher at 65%. But at least five of these 21 PSUs managed to spend less than 25% of the CSR budget of the three years. National Aluminium Ltd, or Nalco, was the only one that managed to

fully spend its Rs 31.55 crore budget. The central PSUs are required to set aside a portion of their profits for spending on CSR activities – about 0.5-2% in case of enterprises with net profit in excess of Rs 500 crore in the previous year and about 3-5% where profits are less than Rs 100 crore. Coal India spent only 27% of the budget, according to information released. Its CSR budget in 2011-12 was about doubled to Rs 553.33 crore and it managed to spend only Rs 37.26 crore till September 2011. In the first year, it spent 92% of the budget and in the second year, about 58%. Oil and gas explorer ONGC did better, it spent 49% of the budget in the three years. Like Coal India, its performance in the third year was disappointing. It spent only 6% of the budget till September 2011. Indian Oil Corporation spent 85% of the Rs 264.4 crore it set aside and Sail 72% of the Rs 179.68 crore. The PSUs are required to fix their CSR budget for each financial year and funds are non-lapsable. The CSR activity is also part of the annual memorandum of understanding (MoU) with the government, where each PSU commits to meet targets for revenues and profits. Normally, CSR activity has to be taken up around area where the PSU has commercial activities. They are however free to choose the activities they would like to take up.

FINDINGS

AND

RECOMMENDATION:

On aspects such as executive level hires, executive compensation, performance management system, PSU management and boards should have complete autonomy. Maharatna PSUs that are listed should lead the way in implementing the Ministry of Corporate Affairs (MCA) voluntary guidelines on corporate governance. PSUs should be leading the way rather than follow the private sector. To help foster that PSU boards are focused on the leading substantive issues, alternative mechanisms such as two-tier board structure and introducing board performance assessments should be actively considered. Sitting executive directors in well run PSUs should be encouraged to assume non-executive directors roles in state PSUs and the smaller/unlisted/not profitable PSUs. The government should deal firmly with non-compliance of corporate governance norms by both listed and unlisted PSUs. The government should clearly and unambiguously set out its ownership policy and how it may apply in matters that have ramifications for minority shareholders.

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**“Effective Analysis of Issues and Challenges concerned with Governing Social Media:
Indian Perspective”
BY**

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Abstract

Social media are fastest developing web-based tools, sites, and services that provide users with dynamic ways to interact, create, and share in reading and writing web culture, where users are also producers, and interaction and participation is encouraged. In the recent times, social media have emerged a strong platform for interaction amongst the people and it is seen as a revolutionary change and has a profound influence on individuals, organisations and which even enforces regularities and legislative bodies. Being such a vital tool, social media holds and enjoy enormous power which is itself very crucial in nature. It becomes the utmost duty of the governance of such a social media to divert such a great deal of power in the positive and fruitful direction for the nation and the betterment of mankind. Another interesting area is that the participants who form the group are of very heterogeneous nature and scattered across the vast geographical area, hence controlling them remotely is a great

challenge. With this, there emerge the challenges and issues of controlling such a powerful tool and the utilization of the open platform. It becomes crucial to manage this tool in the right manner so as to drive the power towards creative and positive use for the country and a better human kind. In this paper we highlight the vital role of social media in the area of corporate governance. The study revolves around the analysis of the various issues that are the key aspects to manage the platform of social media. We assume that the issues studied in the research paper will be beneficial to social networking sites by proving the fundamental analysis regarding the governance of social media. This will also form basis for further research to attract more researchers in the given area to better understand the complexities of governing social media in modern era.

Keywords: Corporate governance, social media, internet, online, websites, issues in social media, issues in governance of social media, SNS

Introduction

Social media, a relatively younger platform refers to the means of interactions among people in which they create, share, and exchange information and ideas with virtual communities and networks. Social media depends on web based as well as mobile technologies to create highly interactive platforms through which individuals and communities share, co-create, discuss, and modify user-generated content. This young platform of rapid information exchanges provides a new era to the area of informal communication between individuals, communities and even organizations with vital importance. Social media are web-based tools, sites, and services that provide users with dynamic ways to interact, create, and share in read/write web culture, where users are also producers, and interaction and participation is encouraged. Social media or “mass selfcommunication platforms” (Castells, 2009), include macroblogs (Wordpress, Blogger, Blogspot), microblogs (Twitter, Yammer, Yelp), content-sharing sites (YouTube, Flickr, delicious), and social network sites (Facebook, MySpace, etc).

Governance relates to decisions that define expectations, grant power, or verify performance. It consists of either a separate process or part of decision-

making or leadership processes. In modern nation-states, these processes and systems are typically administered by a government. In the case of a business or of a non-profit organization, governance relates to consistent management, cohesive policies, guidance, processes and decision-rights for a given area of responsibility. Corporate governance broadly refers to the rules, processes or laws by which businesses are operated, regulated and controlled. The term also refers to the internal factors defined by the government, stock holders as well as the constitution of the corporation, and additionally the external forces such as consumer groups, clients, society, environment, and government regulations.

Governance and Social Media

Peeping into recent past, it becomes very evident that the impact of social media has changed the rules of the game to a big extent. This has attracted not only the corporate but even the governments to consider it as a powerful platform to interact with the audience.

Social media with relatively young participants in the fast growing technological boom based on the Internet, have started to make their mark on how governments and individuals interact. Last year, U.S. President Barack Obama in a

memorandum to departmental heads, listed transparency, participation, and collaboration as three priority areas for open governance and wanted government agencies to harness new technologies for realising those objectives. In India, where the digital divide is far more pronounced than in the wired west, government agencies have started taking advantages of the technological advances to strike a blow for improved governance. What gives a revolutionary edge to these new and evolving media tools is their potential to replace the old mould of unilateral communication — from the state to individuals — with a vibrant two-way communication between the government and the governed. In addition, the 'Fifth Estate,' as sociologist William H. Dutton of the Oxford Internet Institute calls the social media, can make meaningful interventions in shaping public policy. This can be particularly important in speedily communicating disasters and epidemics, including early warning signals. India's governmental agencies, particularly those that have a direct bearing on employment, poverty reduction, and health care must wholeheartedly and intelligently adopt the new media. At a time when the social media is said to have spawned revolutions across the world, including the famous Anna Hazare movement, the government looks set to

use the medium as a governance tool. The department of information technology has framed guidelines for social media interaction with government organizations to optimize use of the popular communication tool to connect with citizens.

Review of Resources

As a very generally used term since recent past, social media has grabbed the attention of a large part of the society and each has its different meaning and view point about the same. In fact it is a word that has includes multiple definitions.

As referred by Kaplan and Haenlein (2010), social media can be defined as Internet-based applications built on the ideological and technological foundations of Web internet. Additionally, this comprises the technological, economic and juridical phenomena encompassed within Web. O'Reilly (2005) characterizes Web 2.0 according to six trends: programs become platforms; the wisdom of crowds; data inside; customer integration/user-based content; being ubiquitous and dynamic; and browser-independent content. An interesting aspect of the widespread acceptance about social media (see, for example, Contractor, Eisenberg & Steinfield, 1990) is that social media allow the rapid mass creation and interactive exchange of user-generated content. This

termed as “digital evolution” is an basic and vital aspect (Döbler, 2008), or a paradigm shift.

According to Hippner (2006), social media applications have certain things in common, as the focus always lies on the individual user or group. People, relationships, content and ratings are intended to be demonstrated publicly. Groups and platforms are run following the principles of self-organization. Social feedback, e. g. via rating systems, acts as a major motivator. In general, the so-called “wisdom of the mass” is not embedded within the aggregation of multiple pieces of information, but within the linkages and structure between them. These principles apply in varying degrees to all different social media platforms, including wikis, weblogs, social networks or social sharing platforms. In addition, other applications may also correspond to this description, but cannot be categorized precisely into one of the aforementioned types. Instead, they fit into all of the categories. Examples are tagging, clouds or newsfeeds.¹ Together, these tools have changed the perception and use of the web into a virtual space where users no longer passively consume, but actively create, change and share information.

On the other hand, the term “social media” explicitly means that web-based applications enable users to exchange

information, create relationships and communicate (Hippner, 2006). This has a social impact that reaches far beyond the actual documents or data. The networks of relations and their structures may change. According to Hippner (2006), social media applications have certain things in common, as the focus always lies on the individual user or group. People, relationships, content and ratings are intended to be demonstrated publicly. Groups and platforms are run following the principles of self-organization. Social feedback, e. g. via rating systems, acts as a major motivator. In general, the so-called “wisdom of the mass” is not embedded within the aggregation of multiple pieces of information, but within the linkages and structure between them. These principles apply in varying degrees to all different social media platforms, including wikis, weblogs, social networks or social sharing platforms. In addition, other applications may also correspond to this description, but cannot be categorized precisely into one of the aforementioned types. Instead, they fit into all of the categories. Examples are tagging, clouds or newsfeeds.¹ Together, these tools have changed the perception and use of the web into a virtual space where users no longer passively consume, but actively create, change and share information.

Use of social media for public relations

The overall web traffic to social media sites internationally has steadily increased over recent years. (Nielsen, 2010). 24 percent of hike in terms of number of people using social media is seen in 2012 globally. Overall, people spend over 110 billion minutes per month on social media sites, which is dominated by Australian web users. On average, each Australian web-user uses the social web seven hours and 19 minutes each month. The biggest social media platforms have become powerful brands and expansive networks. MySpace has more than 100 million users, and the outperforming platform Facebook reached the level of 500 million members at the end of 2010. The blog search tool Technorati tracks 133 million blogs and, in some countries, the use of social networking sites accounts for more than 75 per cent of all web traffic (Postman, 2009, p. VII)

Corporations have acknowledged these trends, and increasingly use social media platforms for communications. One prominent example of a company increasingly their investment in social media is Pepsi Co. in the United States (US). The company broke its 23 year-long tradition of advertising in the Super Bowl in 2010. Instead, it spent 20 million US\$ on launching the Pepsi Refresh Project, an

interactive social media campaign. The case of Pepsi indicates a general tendency in business: in 2009, 43 per cent of the fastest growing private companies in the United States (Inc. 500) judged social media to be “very important” for their business, while 91 per cent used at least one social media tool, most commonly social networking platforms. Social networking and blogging have grown steadily over the last three years, while message boards, online video, wikis and podcasting have leveled off or declined (Barnes & Mattson, 2009).

Many studies have addressed the potential positive impacts of social media (Bauer, Große-Leege, & Rösger, 2007; Picot & Fischer, 2006; Pleil & Zeffass, 2007; Ruisinger, 2007), which range from the implementation of companies’ own formats to the incorporation of third-party applications. In accordance, European communication professionals interviewed in the European Communication Monitor 2010 survey assessed social media as having an increasing level of importance and predicted that they would become the third most important channel or instrument for public relations by 2013. One out of four professionals thinks that social media are important for the profession today. Communities, videos and weblogs are particularly highly appreciated.

Consequently, it is considered that coping with digital evolution and the social web will be the most important issue for communications management within the next three years (Zerfass et al., 2010, pp. 90-93). From the perspective of strategic communication, new communication platforms revolutionize the dynamics and dimensions of communication within organizational settings and between organizations and their stakeholders. Examples of social media applications can be found in all phases of the communications management process. Analyzing communication in social communities can enhance monitoring and evaluation, while collaboration platforms may help to establish advanced planning routines. During their implementation, communications professionals can apply different measures such as spreading image videos via Youtube or establishing the Chief Executive Officer as an expert on Twitter. Thus, customers may become more committed and more loyal to the company, its products and services (Lattemann & Stieglitz, 2007). Hence, the possible advantages that practitioners expect are multiform. Unparalleled access to information, enhanced brand awareness and perception, better engagement with stakeholders, collaboration, a richer experience for users and improved web metrics are just some examples that have

inspired many companies to implement social media for corporate communications (Postman, 2009).

Governance in social media relating to certain legally safeguarded Interests

Online social media facilitate the emergence of new forms of coordination by introducing new dynamic processes where individuals are working together with various degrees of coordination (Shirky, 2008; Howe, 2008). The network structure further transforms existing institutions of governance. Emerging business models (such as online marketing and peer promotion, which are enabled by data mining techniques) are shaping the very nature of interpersonal communications and community building (Wellman/Haythorwaite, 2002; Mesch/Levanon, 2003). In fact, the social media realm is leading to the emergence of novel and intriguing forms of governance. One can argue that while the online dynamics drawn out above might appear random and spontaneous, they proceed along the lines of specific sets of rules and norms. These new forms of social coordination challenge our current understanding of governance. The purpose of our research is to conduct a comprehensive investigation of the sources, nature and impacts of such norms and rules of governance in the social

media realm. The social web has been the object of several studies in recent years, some of which specifically addressed certain aspects of social web governance that relate to different legally and socially protected interests. We have further discussed some of the vital issues that are crucial for the governance of a social media.

Issue of privacy and transparency in communication

The issues of privacy and transparency in communication take a central role in legal and ethical discussions regarding the conduct of users in social media. Even a casual review of daily papers will, no doubt, reveal the reflection of these issues in the news – stories concerning the disclosure of information in public, the misuse of information or identity, and many other variations. Of the various issues these topics entail, we choose to focus our analysis at this juncture on two areas for in-depth research. Here, within the broader theme of protecting privacy and anonymity while facilitating pseudonymity we address the notions of (1) protecting personal information and (2) transparency in communication when addressing issues such as “astroturfing”.

Issue of property right for the content

As mentioned in the introduction, the rise

of user-generated content and collaborative production is a central aspect of the social web, leading to a shift from industrial production of content to social production (Benkler, 2006; Bruns, 2008). Consequently, users in the UGC environment are more actively engaged in creating cultural flows. Users-authors, “Prosumers” (Toffler, 1980) or “Producers” (Bruns, 2008), are generating content and at the same time using content originated by others. At the normative level, social production is somewhat controversial. Several scholars argue that UGC endorses political empowerment by enabling mass self-communication and thereby promoting freedom and autonomy (Castells, 2009). Others have argued that the shift from an environment where the production of content was dominated by the highly concentrated culture industry into a hybrid environment where content is also generated by individual users and groups, is democratizing the public sphere. This marks a greater progress towards a participatory culture (Lessig, 2004) and a more democratic public discourse (Benkler, 2006; Horowitz, 2009). Other scholars were more skeptical, raising concerns regarding the decline of journalism and the old intermediaries (Netanel, 2000), the rise of new powerful intermediaries in the online environment (Elkin-Koren, 2010; Grimmelmann, 2009)

and the potential exploitation of individual users by social media platforms owned by multinational corporations (Hetcher, 2008; Scholz, 2008).

Social production destabilizes the tenets of copyright law. Copyright law grants authors ownership over their creative work and therefore requires a license prior to each and every use of the work. This enables the owner to extract the commercial benefits associated with her copyrighted materials. The exclusivity offered by copyright, however, is sometimes unnecessary and often harmful to social production. Recent studies show that social production takes advantage of a variety of social motivations, such as self-expression, creative satisfaction and pleasure, and the wish to gain online reputation, self-esteem, affiliation and reciprocity within a community of users (Moglen, 1999; Helberger et al., 2008; Rafaeli/Hayat/Ariel, 2009). Moreover, current copyright law creates new impediments to access by individual amateur users who wish to make use of creative materials which are available online (Lessig, 2004; Litman, 2004; Cohen, 2005). Another issue relates to the governance of informational resources. Copyright law, which governs the use of creative works, concentrates the power to authorize use at the hands of a single

owner: individual author, employer, exploiting firm, or even partners who share ownership. What was suitable for the content industry, may not necessarily serve the needs of a collaborative environment which requires coordination, cooperation and mutual accountability in Massive Multiauthor Collaboration (MMC). Use and access to creative materials is also governed by social norms. As recently suggested by Fauchart/von Hippel (2008), there are norm-based intellectual property systems that provide group members with rights which are similar to intellectual property rights in their nature and the effectiveness of the protection provided. Similarly, Oliar/Springman (2008) describe how stand-up comedians protect their jokes using a system of social norms. Within the broader scope of property law and norms, Nobel prize winner Elinor Ostrom identified formal and informal rules which manage the use of (natural resource) commons and enable the sharing and making productive and sustainable use of resources (Ostrom, 1990). Such institutions, she argued, are contextual and tailored to particular environments. Similarly, the study of the institutional structure of social production requires a contextual approach. The purpose of this research is to explore social production and identify the institutions which govern the production and distribution of content

in the social web. Our research will identify the design (i.e. interfaces, language, protocols), the legal and contractual rules (copyright, licenses, Terms of Use) and the social norms which shape the behavior of individuals and groups with respect to content.

Issue of anonymity and transparent communication

Whether or not to disclose one's identity in social media is a controversial issue in many ways. The question as to the extent of the right to and protection of anonymity is currently widely discussed (see e.g. Brunst, 2009). Rather than approaching this general question, we chose to focus our query on a narrow, yet important, matter: transparency in communications in face of the fear of the usage of false identities for manipulative objectives. The underlying assumption of companies, governments and other institutions that engage in "astroturfing" appears to be the possibility to generate a great impact by many (artificial) independent voices. This issue is of great significance in social media, given the importance of trust in seemingly "unfiltered" and thus authentic communication by users and the lack of physical or verbal cues. The use of false identities could "contaminate" the discourse, while leading to consumer confusion and other problematic outcomes

(see Bartow, 2008; Mackie, 2009). Numerous policy issues are at stake here, including consumer protection, recipients' protection, and balanced political debate, transparency as regards the purpose of communication and finally the effectiveness and added value of new knowledge systems such as product or other rating platforms.

Issue of objectionable/ unlawful content

Minors' protection is a regulatory objective which can be distinguished from other aims which lead to finding that specific content is objectionable (or illegal under the system in place, e.g. hate speech, forms of pornography). Systems of protection of minors are intended to reduce the risks content might trigger for minors or – if the system is more elaborate – for young people of a specific age group (for an overview cf. Carlsson/Feilitzen, 2006). The forms of objectionable information which we might aim to shield children from are varied. Regulation addresses obscene content of sexual nature, content including extreme violence, commercial solicitations which are unfitting (for instance promoting smoking and alcohol) for minors, hate speech and other matters which vary from society to society. For a system to achieve this broader objective, it must meet the following criteria. Firstly, such a system needs means to classify

content. It is typical for this aim that criteria for such a classification depend on values that differ on the level of nations, social milieus and even personal preferences. Secondly, there must be a system of protection depending on the classification of the content; there are basically two ways to model such a system: (1) reducing content and (2) reducing access by or availability to minors (De Haan/Livingston, 2009: 9 ff.). Since in most societies protecting minors is a commonly held goal and new media are always seen as a potential risk there is extensive research done on protection of minors in the media (Langenfeld, 2003). Social media are extensively used by minors (Lenhart et al., 2007; Busemann/Gscheidle, 2009), so installing mechanisms of adequate protection for minors come as an important task. It is evident that both key features of the social web, the articulation of social graph and UGC, imply specific risks for children and adolescents (Livingstone/Haddon, 2009; Youth Protection Roundtable, 2009), such as cyberbullying or online-stalking. However, with regard to social media, up until now the debate is in an infant stage concerning all pillars of governance, although several initiatives already try to address some problems on a practical level, e.g. self-regulation of European platform providers.

The applicability of the legal framework on social media in the context of governing the protection of minors is under debate (Ladeur/Wehsack, 2009; Lampert/Schmidt/Schulz, 2009). Although software design is already a means to protect children in the internet generally (e.g. tagging and filtering or age verification systems) there is no specific tool for social media so far. Recent evidence indicates that technological solutions (such as filters) alone do not provide protection from cyberbullying and cyberstalking (Mesch, 2009), but to achieve this objective. Our knowledge the role of design, social norms and contracts in social media has not been subject to academic research regarding the objective of minor protection and achieving this objective through various means of governance. Currently we observe somewhat novel features – whether and how architectural measures could be applied towards facilitating governance for the protection of minors. For instance, some platform providers such as YouTube or Blogger.com have a reporting system in place which enables users to report on material which is deemed objectionable. Other systems allow for classification and tagging of information. On the other hand, systems apply various measures to reduce accessibility for minors through various measures of authentication.

These will be examined as well.

Social Media Governance based on guiding principles

Social media guidelines, sometimes also called blogging policies or social network guidelines, describe and provide advice on how social media communications shall be dealt with by all of the members of an organization and how it can enable all of them to become communicators in participative online environments. Both practitioners and researchers have recently begun to discuss these issues (e.g. Bell, 2010; Turner, 2010; Wright & Hinson, 2009). Even if a corporation does not want to actively engage in the social web, there is a need to educate employees and formulate clear guidelines on the use of social media both, on the job and for private activities. Often, juridical concerns about privacy issues and the spread of internal matters inspire such regulatory activities. The digital reputation of an organization is at stake when it is talked about on social media platforms. The efficiency of business processes are at risk when employees spend too much time on social networking sites. This has led to an increasing number of firms prohibiting all social media use in the workplace (ISACA, 2010). Marfleet (2008, p. 153) describes such a procedure as “short-sighted”, as it “will inevitably backfire as individuals choose to work for those

organizations that support them in working in a way they want to and which encourages creativity and experimentation”. Put differently, prohibitions leave many employees unsatisfied and ignore the positive aspects of engagement with social media. Consequently, many organizations use social media guidelines instead. For younger employees using the social web in particular, smartphones or an iPad today represent a natural component of everyday life, and so banning them becomes impossible. Hence, when these activities offer the employer an advantage, the associated risks are commonly ignored. This way, many applications have been developed which have added value. However, such isolated solutions often undermine existing organizational arrangements. Only a minority of organizations tackle these new challenges with profound policies. Although training and certificates are mandatory for many aspects of an organization, similar aspects with regard to social media are supposed to evolve independently. According to a study based in the US, only one-third of the Inc. 500 companies have implemented formal guidelines concerning blogging etc. for their employees (Barnes & Mattson, 2009). In Europe, less than 30 per cent of all organizations had implemented such guidelines in 2010, according to reports

from communications professionals (Zerfass et al., 2010, p. 79).

Organizations have to be careful when constructing social media guidelines. Prohibitions in the form of abstract descriptions will not be able to encourage and guide employees, but might increase feelings of uncertainty. As such policies usually also address private usage of the social web, it is recommended to call them “recommendations”, thus clearly expressing the organization’s attitude towards social media. When creating such guidelines, employees or employee representatives should be involved in order to achieve high levels of acceptance. The demands placed on guidelines are high: they need to address different heterogeneous audiences and still be comprehensible, flexible and dynamically adaptable to a range of new situations. This final aspect in particular plays an important role, as not all of the possible scenarios involved in such a rapidly evolving field as Web 2.0 can be conceptualized in advance. Therefore, various scopes of action might be permitted (Ulbricht, 2010).

It should be acknowledged that the goal of control which is inherent in social media guidelines might clash with the desire of employees for autonomy. This is relevant because participative online platforms are

often conceptualized as democratizing organizational communication.

Social Media Governance based on a basic regulatory framework

A different perspective acknowledges the fact that rules alone cannot succeed. The concept of Social Media Governance which is proposed here corresponds to the notion of an overall framework as implied by corporate governance theory. A strategic use of social media in communications requires resources such as trained employees, modern information technology and appropriate budgets, as well as favourable organizational cultures and structures. The latter require, among other things, the assignment of responsibilities, monitoring processes, and appropriate feedback and editorial routines. The importance of such structures can be explained using structuration theory (Giddens, 1984; Zerfass, 2008, 2010), in the sense that if structures are implemented in an organizational setting, they enable and limit the communicative actions of individuals working in these settings. At the same time, rules and resources are reproduced and modified in the course of communicative actions. Therefore, the establishment of a structural framework should be the first step for organizations when exploiting social media, even before training employees and finally developing

and implementing online activities. It becomes necessary to attune staff to a learning process that exploits the opportunities provided by social media, reduces potential risks, and ensures the future growth of the organization. There is no easy solution to the question of assigning the responsibility for these tasks. A competence center, such as a social media board, could be the most effective way of dealing with overarching issues, collecting examples of best practices and enabling other departments through the provision of information and advice. However, as social media increasingly influence the everyday processes of different departments, social media skills must be part of the basic skills of all employees. Decentralized freedom of action concerning the choice of tools, communication style and content must be balanced with overall guidelines. In spite of the theoretical basis for such an understanding of social media governance, it has not been empirically researched till the time.

Suggestions/ Recommendations:

The overview demonstrates that there is a profound lack of research that deals with governance structures within the realm of social media, especially with respect to the different pillars of governance identified (Law, Contracts, Code, Norms). Even for

the topic of personal information, where there have been some empirical studies, the findings are fragmentary since legal formalities and influence to execute the same e.g. contracts have not been systematically included. Additionally, in the analysis, comparative studies of governance structures in social media are lacking, both in respect to cross-country comparisons and to comparisons across different social media practices.

Formal rules which affect governance at the individual and communal level, including laws set by the state, regulation by agencies, co-regulation and direct regulatory limitations and restrictions on online behaviour. Laws could be setting mandatory rules and forms of conduct. They could also be setting “sticky” defaults, which will require parties to draft around them, if they are to be avoided. We will here give special concern to the role of the courts and judge created-law, especially given that the diffuse, loose structure of social media will make it a “moving target” for legal control. Thus, in this context, this might lead to the shift of control from the state to courts at the expense of administrative agencies. When the law is unclear, as it most commonly is in this fast moving realm, we will turn to the writing of scholars. We will also strive to take into account “law in action” –

actual law suits filed and complaints voiced (while relying on press reports to the extent possible).

The ways in which design of the relevant technological infrastructure may affect behaviour (e.g., enabling anonymity, structuring reputation, shaping coordination and invasive marketing) through features and options as well as interface or default settings. Future research will map and analyze existing designs and programs architecture and will further inquire to what extent some technological measures are mandatory and to what extent providers might be liable for offering a particular design or for failing to do so.

The informal rules, conventions and expectations on behaviour which are shared within certain cultures or communities, such as trust, reciprocity or privacy. Social norms shall be observed in a double perspective: in a horizontal one concerning their emergence in communication processes among users and a vertical one concerning the reaction of providers to patterns of behaviour and conventions emerging from these processes.

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“GLASS CEILING IN INDIA: MYTH OR TRUTH”

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Abstract

With the development of the Indian economy, it is seen that the importance of women is increasing in the Indian society and also in Indian organizations. Corporate governance has played a significant role in maintaining the gender parity in the organization, but there are certain issues that are still to be attained. Despite the large no. of studies on the gender gap across the globe, there are only few academic studies that highlight the concept of *Glass Ceiling*. The term *Glass Ceiling* refers “to be a visible, but impenetrable barrier between women and the executive suite, preventing them from reaching the highest levels of the business world regardless of their accomplishments and merits” The paper highlights the gender difference that stops women from reaching higher positions in their job in India and remedies to overcome that. Glass ceiling, generally refers to the opportunity gap rather than the pay gap, which is difficult to quantify in terms of the opportunity of advancement at workplace, given to male or the female workers. The various types of glass ceiling barriers have been analyzed in the paper and their relative importance has been discussed. The study also includes the exceptions to the concept and includes a glimpse of them who have managed to break the glass ceilings.

Keywords:

Glass ceiling, workplace barriers, opportunity gap, women at top management

INTRODUCTION:

Good governance is the process of decision-making and the process by which decisions are implemented (or not implemented). Governance can be used in several contexts such as corporate governance, international governance, national governance and local governance. An analysis of governance focuses on the formal and informal actors involved in decision-making and implementing the decisions made and the formal and informal structures that

have been set in place to arrive at and implement the decision. Bad governance is being increasingly regarded as one of the root causes of all evil within our societies. ^[13]

An issue like Glass Ceiling immerge out of lack of good governance. The paper highlights the reasons of existence of glass ceiling in India and provides the remedies to break the glass ceiling, so as to establish good governance in the organization. Despite the large no. of studies on the gender gap across the globe, there are only few academic studies that highlight the concept of *Glass Ceiling* in India. The term *Glass Ceiling* refers “to be a visible, but impenetrable barrier between women and the executive suite, preventing them from reaching the highest levels of the business world regardless of their accomplishments and merits” ^[12]. *Glass Ceiling* also refers to the racial difference at the work place, but this paper highlights on the gender difference the stops women from reaching higher positions in their job.

David Cotter et al. defined four distinctive characteristics that must be met to conclude that a *Glass Ceiling* exists. A Glass Ceiling inequality represents:

1. "A gender or racial difference that is not explained by other job-relevant characteristics of the employee."
2. "A gender or racial difference that is greater at higher levels of an outcome than at lower levels of an outcome."
3. "A gender or racial inequality in the chances of advancement into higher levels, not merely the proportions of each gender or race currently at those higher levels."
4. "A gender or racial inequality that increases over the course of a career." ^[4]

Glass ceiling term generally refers to the opportunity gap rather than the pay gap. Thus it is difficult to quantify the difference in the opportunity of advancement at workplace, given to male or the female workers.

The 1st World Conference on women, held in Mexico, in the year 1975 identified three objectives which would become the basis for the **work** of the U.N.

On behalf of women, these three objectives were:

- Full **gender** equality & elimination of **gender discrimination**.
- The integration and full participation of women in development.

An increased contribution by women in the strengthening of the world peace.

REVIEW OF LITERATURE:

Jain, Neera; Mukherji, Shoma, 2010, The Perception of 'Glass Ceiling' in Indian Organizations: An Exploratory Study: While glass ceiling phenomenon has been studied extensively in the western context, glass ceiling as perceived and dealt with in India remains largely an under researched area. The study is significant as it attempts to study the glass ceiling phenomenon in the Indian context and in the process examines ways of breaking the mould. ^[11]

Renee Adams, 2011, Beyond the Glass Ceiling: Does Gender Matter?: The representation of women in top corporate officer positions is steadily increasing. However, little is known about the impact this will have. In contrast, using a large survey of directors, we show that female and male directors differ systematically in their core values and risk attitudes. Consistent with the findings for the general population, female directors are more benevolent and universally concerned, but less power-oriented than men. However, they are less traditional and security-oriented than their male counterparts. Furthermore, female directors are slightly more risk-loving than male directors. This suggests that having women on the board need not lead to more risk-averse decision making. ^[1]

SIGNS OF THE GLASS CEILING IN THE WORKPLACE:

MYSORE: Many women journalists are deprived of top positions in organizations due to gender discrimination, said Nandini Sahai, director, Media Information and Communication Center of India(MICCI). ^[6]

BHOPAL: The number of women candidates who were not called for interview despite scoring higher marks than male candidates was 109; the CM added and also tabled in the assembly the list of all such women candidates along with details of scores, ranks and addresses. ^[7]

CIVIL AVIATION: Air-India's hostesses are junior to all male crew members on board irrespective of the fact that some of them have more than 30 years of experience. Even women in executive positions are subordinate to male workmen in flight. Women are not

eligible for supervisor positions on board. ^[9]

GENDER GAP INDEXES:

INDEXES (INDIA)	RANKS				
	OVERAL L	ECONOMIC PARTICIPATION	EDUCATIONA L ATTAINMENT	HEALTH AND SURVIVAL	POLITICAL EMPOWERMEN T
Gender Gap Index 2011(out of 135 countries)	113	131	121	134	19
Gender Gap Index 2010(out of 134 countries)	112	128	120	132	23
Gender Gap Index 2009(out of 134 countries)	114	127	121	134	24
Gender Gap Index 2008(out of 130 countries)	113	125	116	128	25
Gender Gap Index 2007(out of 128 countries)	114	122	116	126	21
Gender Gap Index 2006(out of 115 countries)	98	110	102	103	20

(Source: World economic forum) ^[10]

Table displays the ranking of India in year 2011 on bases of Gender Gap in comparison with ranking of 2010, 2009, 2008, 2007 and 2006. From the data of world economic forum of gender gap it is observed that there is no significant overall change in the ranking of gender gap in India. Looking at an overview, there has been a significant decrease in the rankings of India in comparison with the base year i.e. 2006. It will be equally interesting to notice that the participating countries have been also increased with the passage of time, which suggests that a stagnant rank might mean a proportionate improvement in the performance, a thin line of positive inference. One more interesting finding is that in spite of not so improvement in other areas, there is a field which shows marginal increase in politics in India. The other figures also indicate a gradual fall, that too at a standard rate which is not a good indication considering future of India.

Women are behind men in terms of economic participation, educational attainment, health and survival, political empowerment.

WOMEN AND THE GLASS CEILING:

There are two different views that are put forward for the existence of the glass ceiling i.e. as to why women face obstacles in their path of claiming top notch corporate positions.
[2]

Person Centric Perspective: This perspective holds the characteristic personality traits of women responsible for the obstacles that they face in the path of their professional progress. It refers to the behavior of women in their organizational space and dealing with organizational dynamics to be of utmost importance. It is debated that women are inherently less ambitious and steer themselves to lower ranks at workplace. Unlike their male counterparts they have a value system that holds the job profile and the associated challenges in greater esteem than the position. Moreover they lack the skill of portraying their achievements to superiors or effectively communicating their capabilities that believe in “performance shall speak” which rarely materializes during promotion appraisals. Further women lack organizational political acumen so that they are unable to maintain the optimum balance as team players. According to this perspective it is the qualities of women themselves that acts as a blockade in their course of attaining leading positions in the organization.

Situation Centric Perspective: This refers to the internal organizational processes and practices responsible for creating barriers for women. It is widely observed in the private sector that the promotion process is ambiguous. It lacks transparency, the yardsticks for appraisal and subsequent promotion to leadership ranks is not clearly stated. Discriminatory decisions are taken against women employees due to break in service like Owing to maternity leave etc. Women leaders are treated as representatives of fringe factions who have weaker voice in decision making and operate as a secluded sector. Thus an elevation of the glass ceiling or cracking it would essentially require wave of change in both organizational dynamics as well as personal behavioural characteristics of women.

TYPES OF GLASS CEILING BARRIERS:

- SOCIETAL BARRIERS
 - India being a male dominated society, the importance of women is always

less than men. Thus advancement of women to higher positions in the organization is not easily acceptable by the society.

- CULTURAL BARRIERS

- Culture is a blend of beliefs, customs, and traditions. In Indian culture, women are always protected within four walls of the house.
- Traditions like 'parda' system are still prevailing in Indian culture.
- After marriage, women are also forced to sit at home, to take care of household jobs and children and thus it becomes difficult for her to focus on her carrier.

- GOVERNMENT BARRIERS

- Government of India has established Equal Remuneration Act, 1976 for giving equal remuneration to men and women workers for same work or work of similar nature.^[8]
- Even after the enforcement of law there are few barriers that may lead to *glass ceiling*.^[5]
 - Lack of vigorous and consistent monitoring of law enforcement.
 - Weakness in the collection of employee related data.
 - Inadequate reporting and dissemination of information relevant to *glass ceiling* issues.

- INTERNAL BUSINESS BARRIERS

- Recruitment practices that fail to seek out or recruit women.
- Prevailing male dominated culture of business.
- Limited access of women to critical developmental assignment of business.
- Biased rating and testing system.
- Limited access of women to informal network of communication.
- Counterproductive behavior and harassment by colleagues.

- OTHER BARRIERS

- Preconceptions of women's roles and abilities.
- Women prefer less mobility than men.
- Lack of mentoring to women employees.
- Literacy rate is low of Indian women.

WOMEN IN LEADERSHIP WHO MANAGED TO BREAK GLASS CEILING:

With the development of the Indian economy, it is seen that the importance of women is

also increasing in the Indian society. List of women who managed to break the *glass ceiling*.^[3]

Naina Lal Kidwani	Country Head, HSBC
Kiran Mazumdar Shaw	M.D, Biacon
Swati Piramal	Director, Piramal Health Care
Chanda Kocher	M.D, ICICI
Shikha Sharma	M.D, AXIS Bank
Mallika Shrinivasan	CEO, Tractors And Farm Equipment
Meena Ganesh	CEO, Pearson
Falguni Nayar	M.D, KMCC
Roopa Kudva	M.D, CEO, Crisil
Vanita Bali	M.D, Britannia
Preetha Reddy	M.D, Apollo Hospitals
Renuka Ramnath	M.D, Multiples Alternate Asset Management

BREAKING THE GLASS CEILING:

The following are the remedies to break the glass ceiling

- **IMPROVING WOMEN WITH BETTER QUALIFICATION AND AWARENESS**
A combination of social attitudes and gender inequality, in education and training has largely contributed to occupational segregation, resulting in men and women being streamed into different trade, professions and jobs. Providing women with better qualification and awareness regarding their rights, will gradually help women's to break the glass ceiling.
- **ROLE OF HUMAN RESOURCE MANAGEMENT TO ADVANCE WOMEN**
The human resource management should come up with the equal employment opportunities. As well as, development in job evaluation methodologies will also help to bring parity in the job worth of men and women.
- **REDUCING GENDER INEQUALITY IN SOCIETY**
As we discussed, India being a male dominated society and this is the root cause for all such gender disparity at the work place. There is a strong need for a change in the mindset of the society. Until and unless society would start respecting women, such barriers would be continued in the organization.
- **GOVERNMENT INITIATIVES**
Though there are many laws which are enforced by the Indian Government, which covers the right of Indian women to get equal salary and wages, but there are no such laws that provide equal opportunity to the women. Reforms in current judiciary system by the government would helpful for the development of Indian women.

CONCLUSION:

Using the data of World Economic Forum and analyzing the factors that contribute to *glass ceiling* we can see that India is way back in gender parity compared to other countries in

the world. Indian women are still not getting the opportunity to achieve higher position in the organization as compared to men, with similar work experience or qualification. But on the other side from the survey of business today we can also get a glimpse of few women who managed to break the *glass ceiling*. However, to ensure good governance, actions must be taken to work towards the ideal with the aim of making it a reality.

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“IMPACT OF RTI ON GOVERNANCE OF PUBLIC AUTHORITIES”

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Abstract:

Information is very important for today's competitive edge. Information not only helpful in increasing of knowledge but it has also an important role in development. The concept of information is closely related to notions of constraint, meaning, communication, understanding, control, data, knowledge, perception and representation. Corporate governance is very wide concept and it refers to corporate management and includes a fair, efficient and transparent administration to meet certain well-defined objectives. For good governance all committees for corporate governance shows importance of disclosures and transparency and they suggest to companies that if company wants to achieve their objectives than they should maintain fair practices in organizations. For fair practices, transparency and disclosures is highly required and transparency and disclosures are directly related with flow of information thus Indian government enacted Right to Information Act in the year 2005 to support fairness and to maintain good governance which is divided in total six chapter. The main objective for RTI act is for setting out the practical regime of right to information under the control of public authorities, in order to promote transparency and accountability in the working of every public authority, the constitution of a central information commission and state information commissions and for matter connected there with or incidental thereto, As well as mandates timely response to citizen requests for government information. Here, in this paper researcher's focus on information, importance of information in transparency and disclosures, its relation with good governance or maintenance of fair practices and role of RTI provisions for it. This paper is focusing on various issues and incidents of RTI and good governance, reason for information accessibility, legal actions and constitutions which are available against malpractices or unfair means. Researchers also focus on advantages of and disadvantages of information accessibility and RTI with help of several cases of RTI and its outcomes. Researchers will collect data through secondary data sources and some real cases and their main purpose

behind this research paper is to identify importance and role of information accessibility for good governance.

Key words: RTI, information and corporate governance

Introduction:

The concept of information is closely related to notions of constraint, meaning, communication, understanding, control, data, knowledge, perception and representation. Information is very important for today's competitive edge. Information not only helpful in increasing of knowledge but it has also an important role in development. As per RTI act, 2005, "information" means any material in any form, including records, documents, memos, e-mails, opinions, advices, press releases, circulars, orders, logbooks, contracts, reports, papers, samples, models, data material held in any electronic form and information relating to any private body which can be accessed by a public authority under any other law for the time being in force; Right to information act was enacted in 2005 which is divided in to six chapters to support fairness and transparency. The main objectives behind this act is for setting out the practical regime of right to information under the control of public authorities, in order to promote transparency and accountability in the working of every public authority, the constitution of a central information commission and state information commissions and for matter connected there with or incidental thereto, As well as mandates timely response to citizen requests for government information.

Research objectives:

1. To know RTI provisions under RTI ACT, 2005.
2. To know how RTI leads to Good governance.

Research Methodology:

This research paper is based on secondary research and for this paper researcher collects data from various articles, case studies, research paper, from government circulars and from internet. For the success story of RTI researcher refers cases of RTI and observe the changes of government practices after RTI cases.

Literature Review:

Chowdhury N. and Skarstedt C.E. (March 2005), observed in working paper on "The Principal of Good Governance" discussed various principals of good governance, various cases of good governance and vital role of information in good governance.

Grindle Merilee S. (February 2005) discussed dilemmas and debates for good governance, ambiguity of process and role of information. Researcher observed various case studies of

companies and discusses how information is important for good governance. They discussed what to disclose and what not to disclose always create dilemmas for companies but for maintenance of ethical practices and good governance transparency is required.

Sahu G.P. and Dwivedi Prabhudatt (December, 2007) observed implementation process of RTI and checked its status. They also discussed received applications for atomic energy, National water development agency and ministry of information and broadcasting. They also discussed problem of RTI implementation, process of information gathering and suggest some solution

Good governance and Information:

Corporate governance and information has strong relations. For good governance many committees and legislations like, CII, OECD, SOX act, Ganguli committee, N.R.Narayan murthy committee, Kumar managalam birla committee, N.Chandra committee, etc. suggest that transparency and disclosures are highly required for good governance and for transparency and disclosures cannot be maintain without information. Not only various committees but stock exchange board of India (SEBI) shows information's importance in rights of share holders. When any company or organizations wants to maintain transparent practices than they should give support to transparency and thus government of India enacted RTI act in 2005. This act supports the transparency and disclosure of public authorities for general public.

RTI and Good governance:

Information has an important role in the management of good governance and for the listed companies many committees suggest disclosures and transparency is very important to maintain good governance. In the year 2005, Right to Information act was enacted to maintain good governance in public authorities. The main purpose of this act is to provide for setting out the practical regime of right to information for citizens to secure access to information under the control of public authorities, in order to promote transparency and accountability in the working of every public authority, the constitution of a Central Information Commission and State Information Commissions and for matters connected therewith or incidental thereto and democracy requires an informed citizenry and transparency of information which are vital to its functioning and also to contain corruption and to hold Governments and their instrumentalities accountable to the governed.

In recognition of the need for transparency in public affairs, the Indian Parliament enacted the Right to Information Act in 2005. It is a path breaking legislation empowering people

and promoting transparency. While right to information is implicitly guaranteed by the Constitution, the Act sets out the practical regime for citizens to secure access to information on all matters of governance

Mission of RTI: Rights Based Approach Society has a mission to ensure the individual and group of his rights by each and every means and to pursue the cause by adopting each and every mode available including courts and administration.

Impact of RTI on Governance of public authorities:

RTI is facility to access information of public authorities or government affairs and it has huge impact on maintenance of good governance of public authorities.

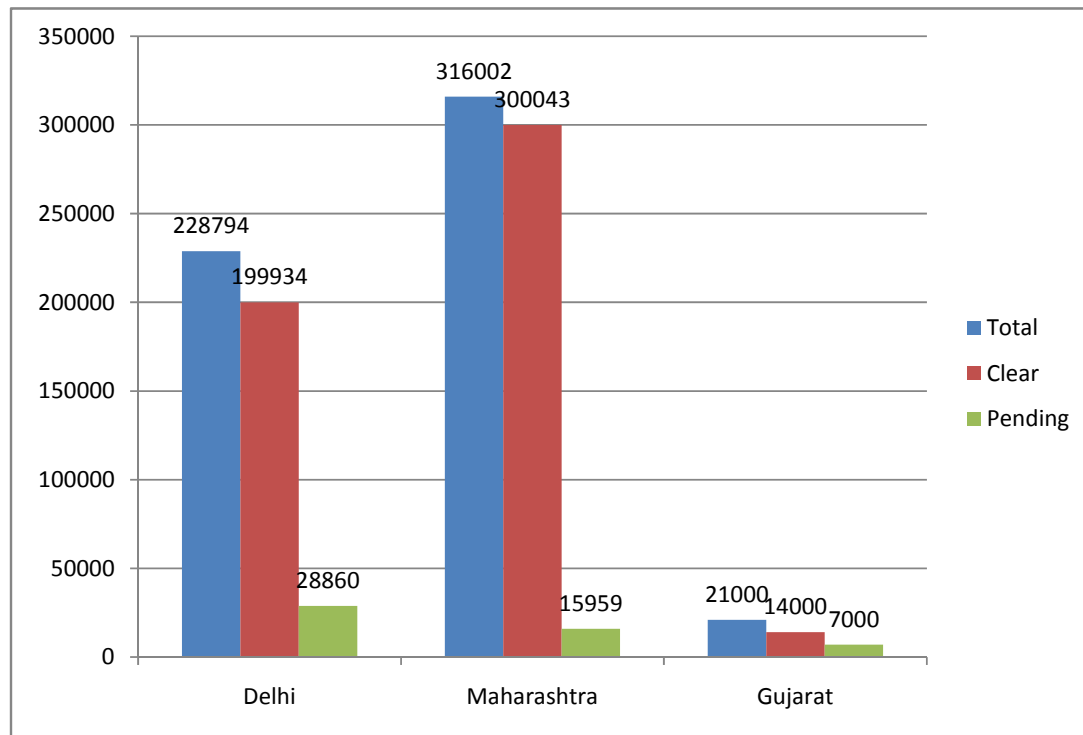
Right to Information: Master Key of Good Governance:

Right to information has been seen as the key to strengthening participatory democracy and ushering in people centered governance. Access to information can empower the poor and the weaker sections of society to demand and get information about public policies and actions, thereby leading to their welfare. Without good governance, no amount of developmental schemes can bring improvements in the quality of life of the citizens. Good governance has four elements- transparency, accountability, predictability and participation. Transparency refers to availability of information to the general public and clarity about functioning of governmental institutions. Right to information opens up government's records to public scrutiny, thereby arming citizens with a vital tool to inform them about what the government does and how effectively, thus making the government more accountable. Transparency in government organizations makes them functioning more objectively thereby enhancing predictability. Information about functioning of government also enables citizens to participate in the governance process effectively. In a fundamental sense, right to information is a basic necessity of good governance. As per government of India's report on RTI application, prime minister's office rose from 48 in 2005 to 40,000 in 2010 and assuming that it may raise more than 2,00,000 where as in all over India RTI's application cross the figure of 2,00,00 in 2012 and predicting that it may raise by more than 8,00,000 in 2013.

RTI Application from 2005 to 2011

Every year various public authorities received numbers of RTI for different information and to trace government process and progress on selected projects. As per records after

enactment of RTI act almost all public authorities received many RTI applications and it was helpful to identified various scams too. Some data of RTI applications and clearance of Delhi, Maharashtra and Gujarat's are as under.



(Source of Original data: Chapter- 5 of Progress report on RTI, Government of India Publication January 2012)

This above chart shows position of RTI applications from 2005 to 2011, RTI application against government of DELHI was 2, 28,794 out of which 199934 completely clear and 28860 are still pending, RTI application against government of MAHARASHTRA was 3, 16,002 out of which 300043 completely clear and 15959 are still pending and RTI application against government of GUJARAT was 21000 out of which 14000 completely clear and 7000 are still pending.

RTI act was enacted in 2005 for maintenance of fair practices in public authorities and from 2005 various cases are there which shows that RTI is providing facility of information access of government bodies by which general public can collect the idea of working pattern of government bodies, if they having some issues with any public authorities than even they can demand information and solution as well as they can demand various progress report of government projects. Because of enactment of RTI act public authorities also becomes more conscious regarding their work, record, registers and data as well as RTI also helpful in

leading of transparent practices of government bodies and their various projects.

RTI's Success for Good governance:

There are various cases of RTI and their successes are available like;

Family pension: In Haryana one 70 years old lady was able to access file regarding the pension and other benefits of her son, a Delhi traffic constable who was killed in a road accident. Laxmi devi of bhiwani district in Haryana had appealed to the Central Information Commission (CIC) for gaining access to file noting made by authorities on her son's dossier regarding payment of terminal benefits totaling about Rs. 4 lakh and his family pension.

Rural Development Scam: In July 2006, RTI was helpful in identification of rural development scam; in the 1990, the Janwad Panchayat in Rajasmand district spend more than crore rupees annually which was highest among all 9000 panchayats in the states and out of it over 70 percentage of the money was siphoned by corrupt nexus between Sarpanch and government officials. The scam was not exposed with help of sting operations or hidden cameras but was exposed by RTI facility. After that incident two years later one more scam related to building for heart care center the Rajsthan Information act made it compulsory to display on panchayat offices the details of all development works and the Sarpanch was jailed and 13 government officials involved in the scam were suspended and annual social audits of panchayat fund were made mandatory

Adarsh Society Scam: RTI Activist like Yogacharya Anandji and Simpreet Singh in 2008 were provided light on link between politician and military officials with help of RTI. Adarsh society has actual permission for six floors but it was build up to 31 floors and it was for widow and veterans but it went to several politicians and it was led to the registration of former minister of Maharashtra.

Public Distribution Scam in Assam: In 2007, an irregularity was identified through RTI. An RTI requested to identify and for removal of an irregularities in food distribution for people below the poverty line and several government officials were arrested in fraudulent activities.

Dark film in Motor Cars: 25 RTI applications had an important role for the prohibition of dark film in motor car. To stop crime and to protect female Supreme Court and various police stations received many applications and then after RTI Supreme court immediately give order for removal of dark film in motor car. There are numbers of RTI success stories available who were beneficial for better practices of government bodies like, RTI on panchayat, road construction, dam construction, income tax refund, LIC dues, and rules implication, police practices, university and their practices, army offices, for government

projects or events like common wealth game which was organized in India and many more. Government makes many changes after RTI, for the appropriate practices of public authorities. Due to RTI government organizations becomes more conscious and serious for their all kind of record and information as well as they collect all the necessary information regarding any working projects and progress reports of implication of any rules and norms after order from any local, high or supreme court. For the necessary detail all government bodies should maintain transparency and if they are not follow the rules of disclosure and transparency than any common man can collect information with help of RTI.

Conclusion:

RTI act was enacted in the year 2005, from 2005 many RTI application was received by various government authorities few of them solved by government and some of them are still pending. When government enacted RTI act that time they give some provisions for several practices or progress report government is not responsible to provide information to general public because of confidential matter or for security reasons but those information which is not related to security of our country can be access by general public through RTI. Any information of army or their equipments, their strategy, their research work and their war plan are consider as confidential and it cannot be access through RTI. From various cases of RTI and its result it can easily identify that for the good governance, information and transparency is highly required and RTI supports fair practices through accessibility of information. Many remarkable changes are also registered in government work, project and processes through RTI.

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“IN DEPTH PROCEDURAL ANALYSIS OF STEERING HIGHER EDUCATION TOWARDS SKILL DRIVEN SOCIETY”

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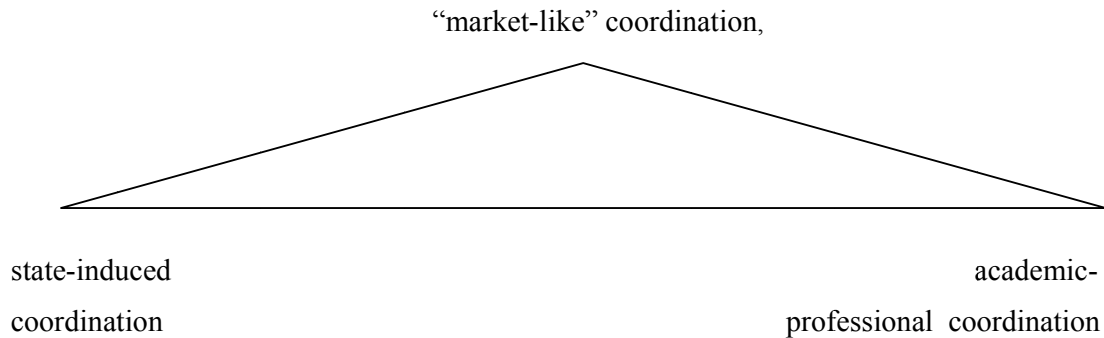
Abstract :

India is becoming a trillion \$ economy and emerging as a country running on a fast track. To grow in highly volatile global environment , country needs high number of skilled workers .India has strength in having high number of young population, but this is becoming a huge challenge in terms of imparting skills and knowledge. This is raising question in promoting skill and knowledge driven higher education at large scale. This paper explores how governance has become a vital organ to manage the various issue in higher education and to what extent quality education can be linked with governance issues. We have studied the historical evolution of governance in higher education and tried to emphasize the academic challenges and the distribution of powers and authority within and outside institution. Definition and typologies of higher education governance are also been studied. This paper also caters importance and different roles played by different stakeholders. Overview of future growth of the higher education and measure of various parameters to improve the quality on the various proposed parameters and how a current education system can be transformed from current evaluation system to performance driven system. In this research paper we have proposed a theoretical framework to design the steering wheel which govern and direct our education system to skill based and knowledge driven society.

Current Scenario of Higher Education

India's higher education system is under pressure from the State and an increasingly educated youth population. Higher education is facing challenges to achieve multiple objectives, such as growth, quality and equitable access.

Burton Clark's classic study of university organization stressed the "triangle" of coordination—



Research Objectives : After an extensive review of literature, the major objectives of this study are listed under.

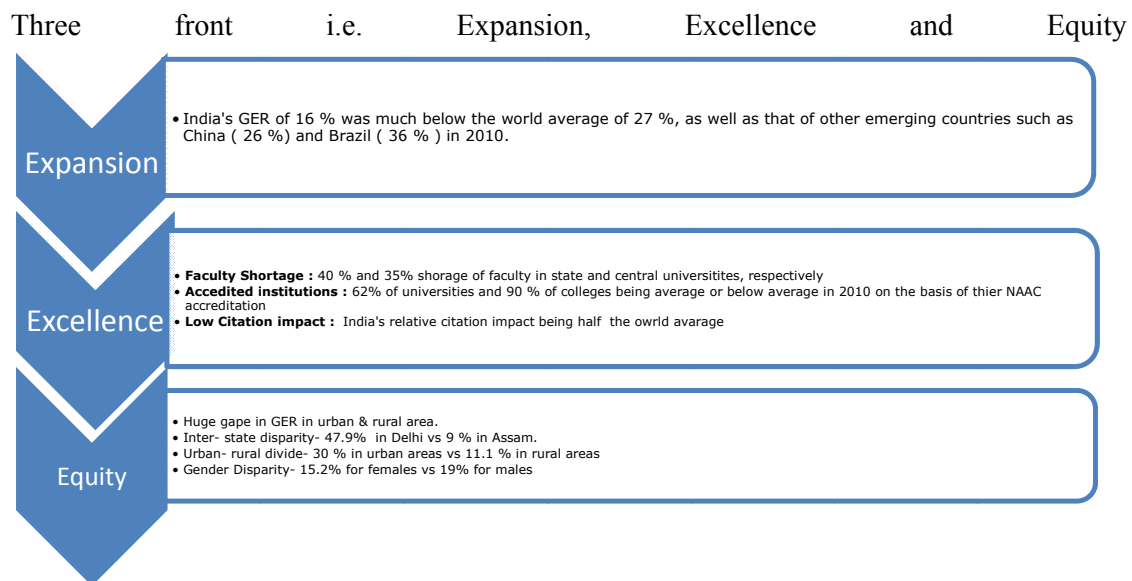
- To study the current governing system and to analyze the current quality level of governance system of higher education.
- To provide a systematic framework of steering higher education towards skill driven society.

Methodology: Descriptive Research

Implication : This paper is designed by considering the applicability aspects. The proposed theoretical framework of steering wheel is applicable to design a systematic governance to each and every stakeholders associated with higher education system

Key Words : Higher Education Governance, Growth and Challenges of Indian Higher Education System, Assessment of quality assurance in Higher Education Governance.

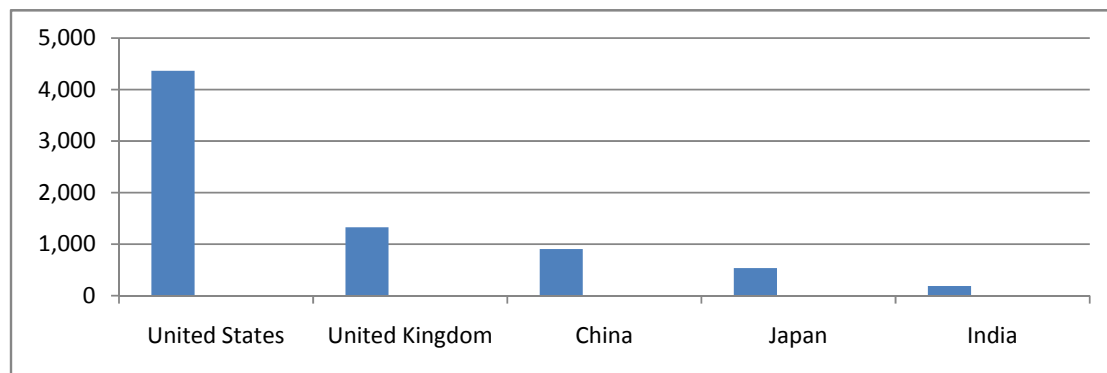
Challenges for Indian Higher Education Indian Higher education is facing challenges on



Excellence side India is lacking of research activity and shortage of high – quality faculty are plaguing the sector.

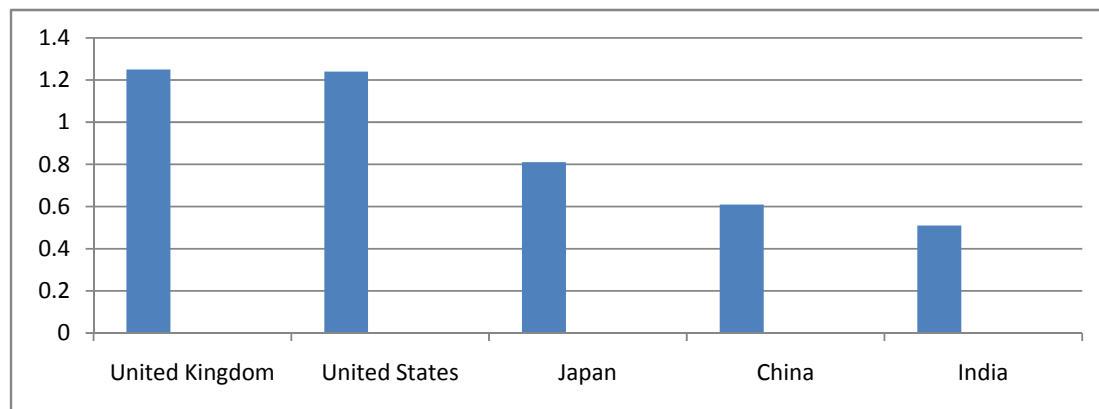
As Indian higher education has grown six times in last 30 years, faculty strength has grown only four times.

In various research areas India is lagging behind the developed countries like US, UK, etc, and developing countries like China.



Number of Research papers by country, 2011

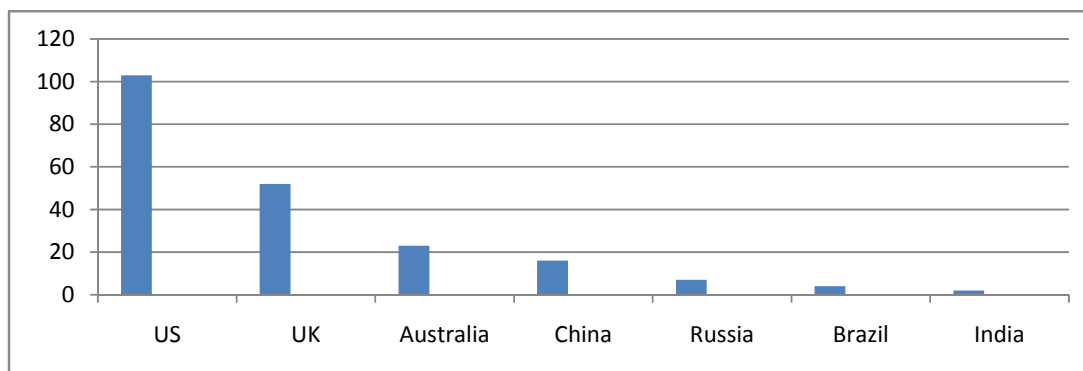
The relative impact of citations for India is half of that of the world average



World Average: 1.0
Relative citation impact by country, 2007-11

On the accreditation part, as of March 2010, NAAC had rated 62% of the universities and 90% of the colleges as average (B) or below average (C) on specified quality parameters. As of March 2010, only 32.3% (159) of the total number of Indian universities and 13.1% (4,094) of the colleges in the country had been accredited by the National Assessment and Accreditation Council (NAAC).

Quacquarelli Symonds (QS) ranking, there are only 2 brands of India in world Ranking.



QS World University Rankings (TOP 500). 2011- 12

Out of the 48 countries studied, India ranks last in the U21 ranking of national higher education system. Quality of Indian Higher Education is challenged by Employers as they are finding difficult to find skilled talent.

Industry reports and surveys indicate that students qualifying from higher education institutes lack the high- quality skills required, which leads to employability issues. Only 25% of technical graduates and 10% -15% of other graduates are considered employable by the IT/ITES industries.

Even past president of India- Pratibha Patil has also commented on the quality of our higher education ,

“ It’s a worrying sign that even though the 3rd largest number of graduates in the world every year is produced in India, only 15% of our boys and girls passing out of college have the skills required to become employable. This bring in concerns that students are getting degrees, but not getting employable hands-on skill”

"We cannot expect to impart quality education without teachers who are most equipped to provide guidance to students and encourage research," - President Pranab Mukherjee.

(<http://news.webindia123.com/news/Articles/India/20130321/2176332.html>)

“Apart from the fact that none of the Indian institutions ranked are in the top 200, interestingly, no university finds a place in these rankings. In such a structure, quality enhancement can only be brought about by reducing the burden at the university level and giving greater autonomy and accountability,” says an MHRD document.

(<http://www.indiaeducationreview.com/news/president-pm-review-quality-higher-education-country>)

“The faculty at colleges has limited quality industry experience. The best practice may be to get significant bits of training, at least 25%, to be delivered by actual industry experts”-

Kishore B, Lead Researcher, TATA Institute of Social Sciences

Opportunity and Scope for the Growth of Higher Education

Though there is bulk of students studying in general courses like Arts, Science, Commerce etc., the enrollment in professional courses like Engineering, Medical, and Management is also growing at much faster rate. There are more than 7.1 million students are enrolled in more than 9000 professional institutions.

Due to requirements in job or for promotion or due to other reasons like financial crises, distance education mode of learning is also growing. Around 4.2 million students have enrolled in around 200 approved distance education institutes in 2012. This numbers shows that enrollment in distance education has grown at an annual rate of 11% in last three decades.

Private sector institutes are accounted for around 60 % of total enrollment in 2012. Enrollment growth is of CAGR 11 % in last five years compare to 7% in government institutions.

Private institutions are grown at around 11 % CAGR in last five years compare to government institutions. State private universities have witnessed an annual growth of 33.8% since 1195 to 2012.

Degree courses are preferred over diploma courses, with maximum enrollment in undergraduate degree programs

Undergraduate degree	Postgraduate degree	PhD degree	Diploma
Enrollment in 2012 (million) – 16.2	Enrollment in 2012 (million) – 2.2	Enrollment in 2012 (million) – 0.1	Enrollment in 2012 (million) – 3.3

Total degree institutions -33,682	Diploma institute 12,748
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Why governance has become a crucial issue in higher education

Higher education has been facing changes at very fast rate over recent decades, including:

- Expansion of higher education systems
- Diversification of provision to study in various number of areas.
- New modes of delivery
- More heterogeneous student bodies
- The growing internationalization of higher education

The effects of these challenges on quality mechanism of governance are diverse and huge. Institutions of higher education, are experiencing new challenges and they have to be flexible enough to respond efficiently to the volatile market demand.

International rankings have added pressure on university governance. Salmi links high-ranking universities to three connected factors:

- concentration of talent
- abundant funding
- appropriate governance

Apart from resource constrain to respond quickly to the changing demands, Other crucial governance features are needed such as,

- Inspiring and persistent leaders
- A strong strategic vision of institutional direction
- A philosophy of success and excellence and a culture of constant reflection
- Organizational learning and change

Literature Review :

Bergan, Sjur (2003), "Student Participation in Higher Education Governance", Council of Europe. : - In this paper Bergan studied various governance aspects of tertiary education. He emphasized why student participation in specifically need through student council, how students can participate in governing higher education. He also studied the political system and hurdles to implement systematic implementation of policies and suggested remedies to improve.

El Khawas, E., R. de Pietro-Jurand and L. Holm-Nielsen (1998), "Quality Assurance in higher Education: Recent Progress; Challenges Ahead - In this paper authors have studied cases on quality in higher education in various countries like Australia, Briton, Romania, Brazil, Argentina etc.. They have suggested various quality parameters and international standards to assure quality in tertiary education

OECD (2008), Tertiary Education for the Knowledge Society, Vol. 1, OECD, Paris : This report committee has studied how governance in higher education has been evolved ,why quality in governance of higher education is required, role of various stakeholders and remedies to improve quality in higher education.

Applicable definition of governance in higher education

Governance encompasses the structures, relationships and processes through

which, at both, national and institutional levels, policies for tertiary education are developed, implemented and reviewed. Governance comprises a complex web including the legislative framework, the characteristics of the institutions and how they relate to the whole system, how money is allocated to institutions and how they are accountable for the way it is spent, as well as less formal structures and relationships which steer and influence behavior.

Author Zgaga proposes three levels of governance analysis:

- Internal or Institutional
- External or Systemic
- International or Global

There are lot interdependencies amongst the different levels.

Need for Structural Change

Organization structure of universities needed to be changed according to the changing demand at domestic and international level. The organization structure typically consisted of the following elements:

- An elected Senate, consisting of academics and other stakeholders (including local bodies, staff, union representatives, students, alumni, etc.). The Senate is the most important rule-making body.
- A Syndicate or Executive Council, consisting of representation of college principals, teachers, senators, members of the Academic Council and some government and ex-officio nominees. The Syndicate may be elected or nominated.
- A non-elected Academic Council consisting of faculty representatives and university heads of departments.

We have found large overlaps in the functioning of these three bodies. Decisions taken by one body typically requiring approval of the other two. The Syndicate was supposed to supervise administration while the Academic Council dealt with academic issues; but, the regulations required that the Academic Council obtain the Syndicate's approval. This structure prevent quick response to the changing market environment. In such centralized interdependent structure time taken to make quality decision and other administrative task is lot more.

Quality of the administrative system suffered due to

- The external stakeholders paid little attention to teaching.
- A large proportion of temporary teachers as well as underpaid teachers and;
- Overcrowded classrooms.

This resulted in the ‘mushroom growth’ of private higher educational institutions, with ‘poor facilities, poor framework and poor conception’.

The Gnanam Committee (established by UGC to inspect quality level of functioning of various universities and institutions) report has sited many quality loopholes in the governing system which made provincial politicians very uncomfortable, since they ran the universities largely as fiefdoms for their political benefit.

In 2003, the UGC finally published guidelines for autonomous colleges as

- Determine its own courses of study and syllabus;
- Prescribe its own rules of admission, which is a subject matter to the reservation policy of the state governments;
- Evolve its own methods of evaluation and conduct examinations;

The role of an Academic Council of an autonomous college is to manage curriculum and admissions of existing programs. Its members were to consist of the principal, heads of departments, faculty chosen on the basis of seniority, outside experts nominated by the Governing Board and university nominees.

Importance of associating quality along with governing mechanism of higher education:

Quality is linked with the governance issues due to many reasons like:

Ensuring accountability

Internal efficiency of quality management needs to be improved in the areas of guaranteeing academic quality and standards, ensuring equitable student admission procedures and accessibility for students from poorer families, and ensuring an appropriate use of public funds within institutions.

Accountability can be ensured through various parameters like, quality assurance frameworks, performance-related funding, market mechanisms and participation of external stakeholders in governing bodies.

Emerging Challenges

The issue of quality in tertiary education has also come under scrutiny due to following reasons:

Low skill level, Increased demand of “quality” education, Decreasing level of values in students, Low availability of teaching staff, Low level of Research orientation, Increasing global competition etc.

Productivity Management & Goal fulfillment

National council of skill development has puts emphasis on leadership principles, skill and quality development and focus on increasing skill workers for India. Quality assurance has become a necessity for policy-makers looking to demonstrate that public funds are spent effectively and that the public objectives for financing tertiary education are actually met.

Need for Consumer Protection

Countries are designing a mechanism to ensure that key stakeholders (including students, families, policy-makers and employers) receive better information regarding the quality and cost of tertiary education. Another consequence behind the establishment of protective mechanism for consumers are :

- Popularization of tertiary education and the trend towards deregulation of governing mechanisms by private providers
- High Growth level in various demand of educational offerings (including distance learning). This calls for better protection of consumers.

Role of various stakeholders in higher education governance

Major Stakeholders those who are participating in higher education at institutional governance has multiplied in various forms. Basically there are three broad categories of stakeholders :

- External stakeholders : Corporate organizations, Small and Medium scale industries, Industrial associations like CII etc.
- Intermediary Stakeholders : Governing bodies of Universities, ministry , Vice Chancellor and Directors.
- Internal Stakeholders : Students, Parents, Faculties etc.

Each stakeholders have its multiple role in contributing an effective governance mechanism.

Increasing diversity in growing need of higher education raised a necessity for effective and flexible evaluation system.

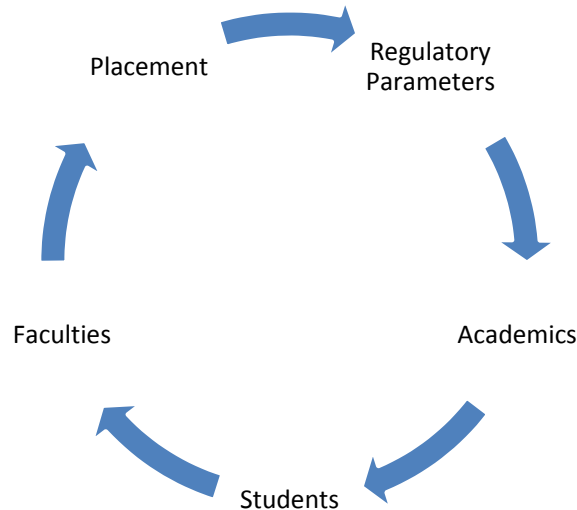
Steering Wheel for Qualitative Governance System – A journey Towards the Skill and Knowledge Drive Society.

Concerning to the growing demand for quality and skilled worker, we are proposing a theoretical framework of “**Steering Wheel**” – which can constantly and continuously monitor direction towards goal achievement. Steering Wheel suggest how an institution is been constantly evaluated its own performance, which kind of resources are needed and

where they are needed, prime caution areas for a higher education institute and in which areas institute is excelling.

Each steering wheel is divided into four quadrant. Each quadrant my further divided into 4 to 5 areas showing various quality measurement parameters concerning to that area.

Steering Wheel for the Higher Education Institution (5 quadrant)



Quadrant is been assigned by the Colors like **Red, Yellow, Green** and **Blue**.

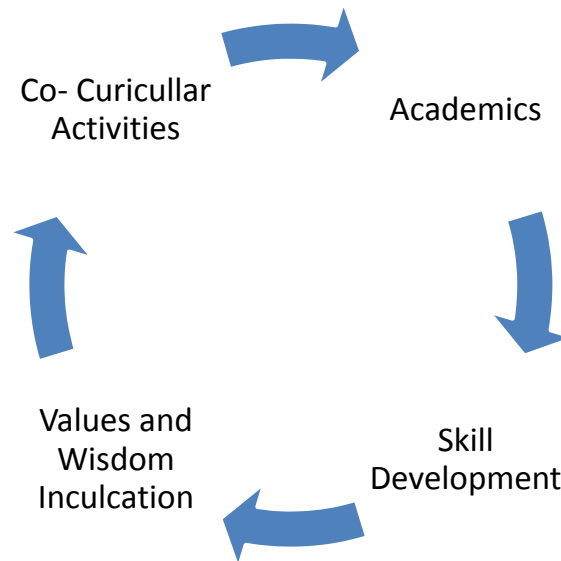
RED - Significant variation in quality and immediate attention from top management needed.

YELLOW - High caution are , if high control in not been maintained it may turn in to RED

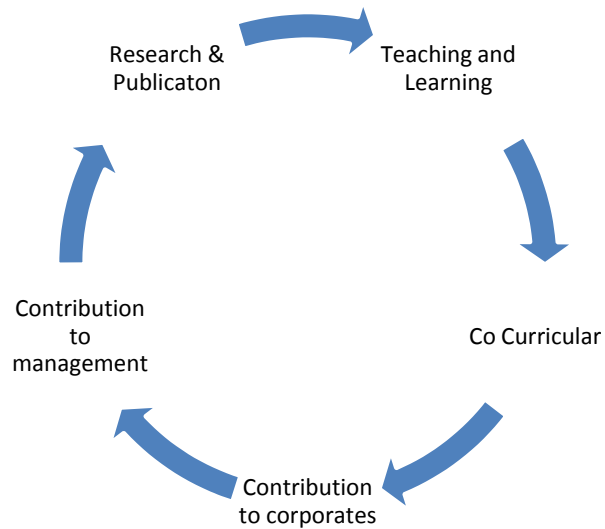
GREEN- Area where quality is well

BLUE – Area which is doing extremely well and with consistent performance with blue color these parameters may become Unique Propositions for an institute .

Steering Wheel for student appraisals.



Steering Wheel for faculty appraisal



Each four quadrant indicate essential and vital quality parameters required for steering a wheel towards the direction of developing skill and knowledge driven society. Each quadrant is a set of individual performance parameters. These parameters are divided into broadly quantitative and qualitative aspects.

Findings

In spite of huge growth in higher education, India is lacking in quality parameters. Today various corporate are struggling hard to get skilled workforce. Our education system is imparting a lot of knowledge, we are failed to develop a system which can impart - skills require by various corporate, values and wisdom in our students, resulting in increased unemployment or low salaried employment level at tertiary level education.

Suggestions

Considering this fatal issues regarding the skill development, our PM has specifically started National Council on Skill Development. There is a critical need for rapid improvement in our governing system of higher education. ,

- Establishment of performance management system at University level, Institutions level, Faculty level, Student level & rigorous, constant evaluation of the system.
- Implement training program after quarterly evaluation of performance and evaluating the effectiveness of training module - for those (including faculties and students) who are lacking below in specific criteria's set for quality performance
- Practice of merit based promotion system instead of seniority based .
- Government should grant fund and other resources as per the - performance in higher education , performance in skill development, performance in getting placement for students, performance of contribution in research and development at national and international level etc.
- There is a growing need of establishment of Performance Indicators, Key Performance Indicators and Key Result Indicators and continuous evaluation of this indicators.
- Key Performance Indicator must focus on **4D Approach** - Each and Every Scholar must get a job in **Desired** industry, **Desired** Post , **Desired** Location, **Desired** remuneration

This theoretical framework of Steering Wheel may require modification in its practical implementation. This approach requires large scale training at level of faculties, directors and other key members involved in evaluation process.

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“Use of Mobile Devices in support of e-Governance”

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Abstract

In the era of modernization and globalization the electronic dependency and utilization has been emerging as one of the driving force towards economic growth and development. E-Governance is said to be pill of all ills of Governance. If international Telecom Union's trends are to be believed, mobile phone services are accessible to 90% of the global population and 80% already avail it. Mobile devices can be used to provide essential services to rural population with little investment. There are numerous innovative and creative ways through which mobile communication can help in e-governance. This paper focuses on information sharing aspects and services that can be easily integrated with existing mobile operation.

Keywords: Mobile device, E-governance

Introduction

In 1863, Abraham Lincoln gave his legendary Gettysburg address using the now famous phrase 'A government of the people, by the people and for the people' (Gettysburg speech). In other words a government that is constructed of people, and elected by the people, should represent the people. The terms government and governance have been widely disputed. Saxena (2005) draws a key distinction between 'government' and 'governance'. He identifies the government as an institution, whereas governance may be seen as a wider concept illustrating forms of governance that can be undertaken not only by government authority but by private firms, nongovernmental organisation or associations of firms (Keohane & Nye, 2000).

Indian Perspective

It is suggested that while India does have an inspiring vision of where e-governance is going, there is a gap between service delivery and reality in that country. The challenge of e

governance in India lies in providing the service to about a billion people. Research has indicated that the three Indian states leading in e-governance provision are Andhra Pradesh, Karnataka and Tamil Nadu, while the states of Kerala, Gujarat, Maharashtra, Madhya Pradesh, West Bengal and Rajasthan are not far behind (NASSCOM, 2003). These Ten Indian States out of a total of 28 comprise over half the total Indian population. There has been a tremendous increase in the automated work flow within the notoriously bureaucratic Indian government departments, and e-governance seems to be a promising development.

According to a study by NASSCOM, India's National Association of Software and Services Companies, although there is rapid progress in e-governance implementation, there have been far too many problems in the operational, economic, personnel, planning and implementation stages. That study indicates that the Indian government should clearly define an e-governance strategy and formulate plans with measurable timelines, which currently do not exist (NASSCOM, 2004).

Anecdotal evidence by Ahmed (2004) indicates that there will be a continuation of funds into buying and installing IT hardware with no changes expected in the long term. He identifies another significant problem; the severe lack of in-house IT expertise to solve even minor problems. There is an acute shortage of staff across even the leading Indian states in the provision of e-governance. Problems also lie in the planning processes, and the type of technology platforms that are required to be utilized. Standardizing programs across the board is another prominent issue that crops up as different departments use different programs. Thus, more time and resources are expended on the unnecessary duplication of databases in government departments (Ahmad, 2004).

Mobile device for Governance

Mobile communication has some unique feature that cannot be replicated by any other mode of information sharing or advertisement for eg print media, television, internet or radio. Few such characteristics are listed below. Mobile device are real time, always on devices. Print media is not real time and electronic media is not always on.

Mobile device consume very less electricity and have batteries with long life that allow serving rural population, especially in developing countries where electricity supply is limited.

Mobile handset is a personal device and generally not shared. So government message that are targeted to a group can easily be sent. Demographic, geographic and social data related to

mobile subscribers is readily available to consumer service providers (CSP). This allows CSP to understand the needs of individuals and relay government services to them.

Mobile devices operate in duplex mode, i.e., two-way communication and thus they can transmit message with intelligence during crisis. Mobile device support location based services (LBS). LBS may play a major role during disaster or in any other situation where geographically targeted action is needed. Mobile devices are almost always with the owner. Thus services like m-ticketing, m-coupon or in-transit can be easily provided.

Channels of Delivery

Text Message (SMS) – short SMS or appended text at the end of subscriber message, and complete SMS as standalone message.

Multimedia messaging (MMS)

Mobile application

Mobile video – live video, and store and forward video

Mobile web/mobile internet – dedicated websites or URL provided through any other channel and ad banners.

The selection of channel for delivery depends on factors like type of message, for e.g. planned activity, urgent message, informative message and actionable message, network capability.

Text messaging is almost universal and available in almost all kind of mobile network. Thus, it can be considered as a universal channel of delivery. Support for multimedia messaging and video sharing is also increasing with 3G.

Channel Selection

Channels need to be selected with care to provide the best possible service and also help individuals to take actions based on the need of the service. SMS and MMS can be used to help government to reach out to masses on its various initiatives and actions. Government uses internet, print and electronic media to connect to people. These are broadcast/ multicast in nature. Internet may provide personal email services but these are not real time.

Short SMS (appended ad) where government message is appended at the end of subscriber message, just like mobile text advertisement as suggested by MMA can help the government inform targeted population about planned events and actions. Short SMS can also be helpful

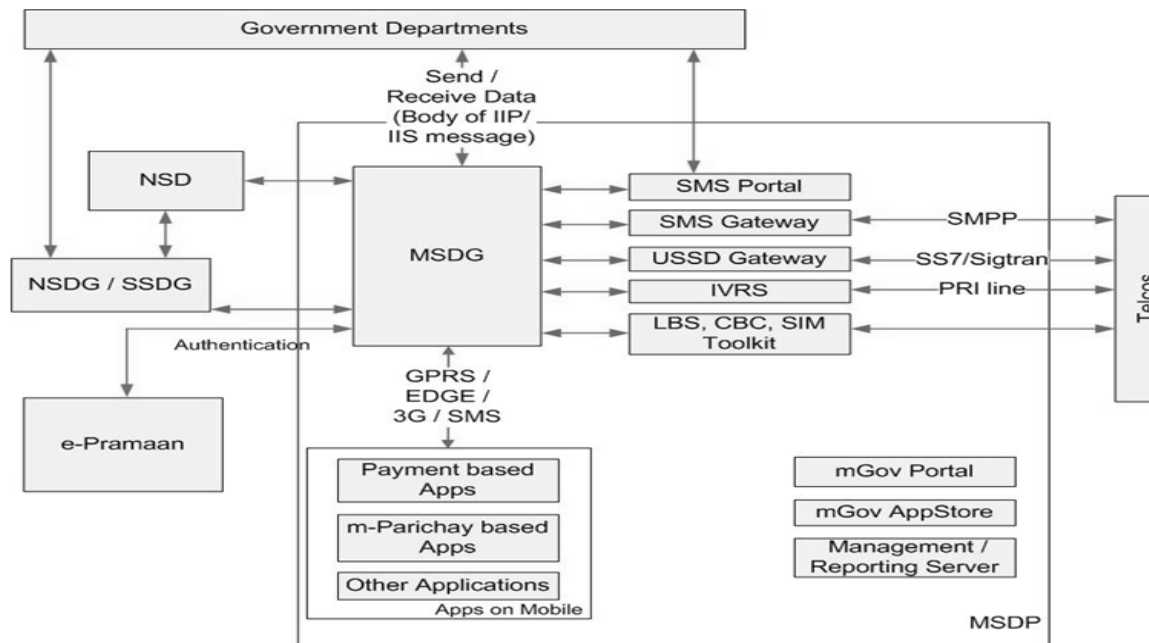
to increase social awareness on health, safety, generic welfare programs. Nominal cost and depth in reach are the benefits of short SMS. Thus, these can be exceptionally useful to government while bringing additional revenue to CSPs. Short SMS needs to be carefully drafted to fit in maximum possible content in 20-60 characters and should be targeted based on subscriber data available with CSPs.

Full SMS can be used to provide in time information to public. Government can use this channel to send reminders on important dates, warning messages like weather warning, tax information of individual, government decision on local development, etc. It proves to be cost effective when short and full SMS are combined. For example, government can start sending short SMS around one week before general election and on the day of the event a full message with the location of the event and other relevant details can be sent out.

Multimedia messages and video can help in providing rich media information to public and also gather the desired feedback. In a quick and effective way government leaders can address public, guide citizens during emergency, provide health information by demonstrating on screen and gather opinion on crucial issues.

Method of Delivery

Method of delivery depends on the type of message and prevailing mobile communication infrastructure in a particular location. It is advised to have an intelligent layer above CSP that can understand the requirement and define attributes of message to be delivered via mobile network. There may be certain messages that are required for a large section of population and such messages may not be relayed through network like SMS or MMS because of network inefficiency or overload. It may be a better option to broadcast such messages within a controlled geography like cell site. Cell broadcast is also considered to be an effective tool during disaster.



Infrastructure and processes differ with CSPs. Thus, government may require building relations with many CSPs to implement any intelligence in its mode of communication. An independent software layer along with value added service (VAS) providers can solve this problem by bringing a government focused universal service layer.

VAS providers have enough intelligence to frame messages and tailor them for target audience. VAS providers are also well integrated with CSPs through a direct gateway. Therefore a thin layer of message intelligence can be easily put along with VAS providers.

The intelligent thin layer of software will be able to define messages based on the needs of government and identify attributes of target subscribers. It can also capture delivery data in return or action taken by subscriber to measure the effectiveness of the channel. The layer can be integrated with different government departments and government applications to help subscribers to take action. Interactive services like individuals asking question to government leaders can be easily administered through this arrangement.

Benefits by Mobile Services to help government Organized Public Events

Government organized public events are normally for massed and success of such events depend on the ability to reach and educate the target audience. Advertising of such events are normally done through electronic media, print media or through not-for-organizations.

Similarly, people in urban areas are often very busy or work in odd hours and may not be reachable through conventional medium.

Government can start sending short SMS to targeted audience one week ahead of an event. Unlike broadcast channels that are one-way in nature, government can send MMS or video clips to educate people about events while providing them a channel to respond back with suggestion.

On the day of a scheduled event, government can send a message and video informing people to participate. Events with huge gathering like Oktoberfest in Germany have always been a challenge in terms of crowd management and information sharing with the visitor. All sorts of channels and methods available through mobile communication can become very useful during such events. By using techniques like cell broadcast and location based application, visitors can be provided all necessary information that makes them feel relaxed, safe and confident.

For example, at the entry point of the event a visitor may be sent an SMS with emergency contacts, an MMS to show nearest exit and popular events around, etc. While enjoying the events, the visitor keeps getting guidance on services available and thus government agencies also find it easy to manage issues that may crop up during the event.

Services to Rural Population

Rural population, especially in developing countries are normally not well-educated or integrated with the wider society. The needs of the rural population are different. They require the right price for their product, right seeds and fertilizers at right time. Mobile based application can solve this problem very easily. On such application may be the simple hot key in each handset, by pushing that key, a villager can reach a government service centre to get any information managed by government or register any complaint/request.

For eg a farmer calls a government service centre for a tractor loan from government agencies offering cheap loan to rural areas. This directly gives an opportunity to a tractor manufacturer to promote products along with customized information based on geographic and demographic data present with CSP.

Promoting products in rural market has been a big challenge and it does solve this problem apart from educating rural population on upcoming technologies. It is suggested that features

like SMS callback be included in critical service offering like medical services to allow underprivileged people to reap benefits provided by the government. An underprivileged person may require spending significant money and time to reach a medical centre, but by sending an SMS or using the hot key option she can also for basic support at home and start using available resources till she receive complete support.

Services to Urban Population

Urban population is normally more educated and integrated with technological advancement. Few places where government can use advertising channels of mobile communication are:

- Traffic Management
- Queue Management
- Campaign Management
- Security
- Education
- Health and safety.

Business benefit to CSP (Consumer Service Providers)

They can increase their product portfolio by becoming a part of e-governance value chain. They can offer additional services on top of government services to facilitate their subscribers and generate additional revenue through services like providing direction on interactive geographical map to a government office. Low average revenue per user (ARPU) situation of rural market can be eased by making mobile devices a close associate and more useful device through e government service. Service providers will get direct benefit by carrying government traffic and providing subscriber information to government agencies.

Business benefit to Government

Government spend significant amount of money in creating public awareness of their initiatives and programs. Many times due to weakness associated with communication channels, governments do not succeed in their objectives. Mobile communication provides a more effective channel at a reduced cost. Personalized communication is possible and serving cost to remote locations is very low, assuming mobile infrastructure is already in place. Workload of government employees is reduced as personal visits get eliminated.

Crisis situation like high tide in coastal areas, terror attacks, sudden visit of a highly secure caravan of politician etc can be easily managed by quick communication through various existing mobile technology. As mobile handsets are almost always on and available to subscriber, these are more effective in crisis vis-à-vis any broadcast media.

This in turn, saves a lot of money and effort of governments.

Conclusion

Irrespective of developing or developed economies, mobile devices have become personal companions to subscribers and they are readily available to provide innovative services like e-governance. Government is one of the biggest owners of information it is required that the government provide such information to relevant people at right time and in right context. Mobile communication can easily bridge the gap between people and the government, bringing them together for social and economic development. Thus, mobile communication should be used with innovative business models by government agencies for better governance.

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“Significance of Good Financial Governance in MNCs taking into consideration Impact Analysis of Foreign Exchange rates on Indian Blue Chip Companies’ Stock Prices”

BY

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Abstract:

Corporate governance refers to the set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled such that it can fulfil its goals and objectives in a manner that adds to the value of the company and is also beneficial for all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the board of directors, management, shareholders to customers, employees and society. The management of the company hence assumes the role of a trustee for all the others.

Introduction:

Corporate governance refers to the set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled such that it can fulfil its goals and objectives in a manner that adds to the value of the company and is also beneficial for all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the board of directors, management, shareholders to customers, employees and society. The management of the company hence assumes the role of a trustee for all the others.

Literature Review:

According to Gray Mason (2007), adverse changes in the rate of exchange can mean the stocks may slow down their process of earning money for the investors, especially if the stocks happen to be investments in retail companies or any entity that relies heavily on foreign trade. Changes in exchange rate hurt stock portfolio happen to be the form of retirement plan. It should be noted that forex trading involves substantial risk of loss and is not suitable for all investors.

Ahmed Alhayky, Ndambendia Houdou (2009) admitted, using the Error Correction Model (ECM) and the Granger causality test to examine the long-run and short-run relationship between Kuwait's stock prices and exchange rate that the causal relationship between them for the period June 2001-December 2008. Under the cointegration test, they found that there is long-run equilibrium relationship between Kuwait Stock Price Index (STIDX) and exchange rates for United States Dollar (USD), Japanese Yen (YEN), and British Pound (GBP), while there is no long-run linkage relationship between STIDX and EURO. Next, based on the Granger causality test, it is found that in the long run, there is a bilateral causality between STIDX and GBP, STIDX and exchange rate YEN, and STIDX and USD. Moreover, it is observed that in the short run, STIDX has no unidirectional or bidirectional causality with exchange rate GBP. However, there is evidence of only unidirectional causality from stock prices to exchange rate, which is significant for YEN and USD.

In 2007, India was the third largest economy in the world as measured by Purchasing Power Parity (PPP) and twelfth largest in the world as measured in USD exchange-rate terms, with a GDP of US \$1.0 trillion. Amongst the major economies of the world, India was the second fastest growing economy with a GDP growth of 9.4% for fiscal year 2006-2007. Dr M Srinivasa Rao, Prof D S Prasad (2007) found that certain sections of the economy have welcomed the rupee appreciation. This is because of the following key reasons:

Firstly, the IT industry which is strongly lobbying against the appreciation of the INR should realize that its phenomenal growth during the last decade is partly because of INR depreciation too.

Secondly INR appreciation is welcomed by those companies with overseas borrowings. Significant levels of foreign currency – denominated, especially USD-denominated loans generate foreign exchange rate gains because of reduced interest payout occasioned by the rising INR.

Thirdly, major Indian stock indices are able to scale new peaks because of recent appreciation in the INR.

Lastly and most importantly, INR appreciation has helped control inflation.

As per BRIC report, India will be 3rd largest economy, overtaking France & Italy by 2020 as well as UK, Russia & Germany by 2025, in terms of GDP growth at current rate. The most impacting parameter in growth of GDP will be the rupee appreciation. Rupee appreciation affects adversely the IT sector while it benefits the Auto, Aviation & Engineering Sectors.

Methodology of Research:

The prime objective is to know the impact of foreign exchange rate fluctuation on Indian

Blue Chip stock prices. However some other Second line objective is to know the impact of forex rate on Indian equity market as whole.

Descriptive Research Design for the research was chosen for the data of 10 English calendar years, i.e. from January 2000 to December 2009. The following types of data units was collected for the analysis.

Daily Closing Prices of the Blue chip stocks.

Direct Quotes of daily foreign exchange rate of rupee with US dollar.

Criteria for the selection of the sample are very clear & specific.

Foreign exchange rates of those days when there is no change & when the change is more than 0.5% in any direction.

Blue Chip Companies are categorized in three groups as under and those chosen which have more than 10 % ratio of export to sales or import to raw material consumption or in both.

Selection of only Exporting Blue Chip Companies – HCL, DLF, Cairn India, Infosys Technologies Ltd

Selection of only Importing Blue Chip Companies – ABB, Steel Authority, Bharat Petroleum, Bharat Heavy Electricals Ltd., Grasim Industries Ltd., ONGC Ltd.

Selected Blue Chip Companies involved in both business – SUZLON, Siemens, National Aluminium, Ranbaxy, Cipla, Hindalco Industries Ltd., Hindustan Unilever Ltd., Wipro Ltd., ITC Ltd., Larsen & Toubro Limited, Reliance Industries Ltd., Tata Steel Ltd., Sterlite Industries (India) Ltd., Tata Consultancy Services Limited, Sun Pharmaceutical Industries Ltd.

Data Analysis & Interpretation:

Stock Return(#) – Foreign Exchange Rate(##):

Exporting Blue Chip Companies' Stocks

Table – 1: Fluctuation more than 0.5% in any direction

Company	Multiple R	Std Error	f Value	Intercept	β Value
<i>DLF</i>	<i>0.120</i>	<i>0.049</i>	<i>0.004</i>	<i>0.001</i>	<i>(-0.842)***</i>
INFOSYS	0.029	0.033	0.164	0.000	0.237
<i>CAIRN</i>	<i>0.321</i>	<i>0.033</i>	<i>0.000</i>	<i>0.002</i>	<i>(-1.675)***</i>
HCL	0.004	0.040	0.838	0.000	0.042
Source: Author's Calculation					

Interpretation:

Here, when the forex rate fluctuates more than 0.5 % in any direction, DLF & Cairn India

gives negative returns (negative sign) at 1 % confidence level, i.e., the change in the return rate of the foreign exchange by 1 % will bring change of 0.84 % in the return of DLF & the change of 1.67 % in the return of Cairn India I negative direction, when the forex rate is more than 0.5 % in any direction.

Table 2: When Indian Rupee appreciates (more than 0.5%)

Company	Multiple R	Std Error	f Value	Intercept	β Value
<i>DLF</i>	<i>0.121</i>	<i>0.049</i>	<i>0.004</i>	<i>0.001</i>	<i>(-0.853)***</i>
<i>CAIRN</i>	<i>0.322</i>	<i>0.033</i>	<i>0.000</i>	<i>0.002</i>	<i>(-1.683)***</i>
Source: Author's Calculation					

Interpretation:

Here, when Rupee appreciates against US Dollar more than 0.5 %, DLF & Cairn India gives negative returns (negative sign) at 1 % confidence level, i.e., the return of DLF & Cairn India falls by 0.853 % & 1.683 % respectively with the 1 % change in the foreign exchange rate return.

Table – 3: When Indian Rupee devaluates (more than 0.5%)

Company	Multiple R	R Square	Adjusted R	Std Error	f Value	Intercept	β Value
<i>DLF</i>	<i>0.120</i>	<i>0.014</i>	<i>0.013</i>	<i>0.049</i>	<i>0.004</i>	<i>0.001</i>	<i>(0.842)</i>
<i>CAIRN</i>	<i>0.321</i>	<i>0.103</i>	<i>0.101</i>	<i>0.033</i>	<i>0.000</i>	<i>0.002</i>	<i>(1.675)</i>
Source: Author's Calculation							

Interpretation:

Here, when Rupee falls down against US Dollar more than 0.5 %, DLF & Cairn India gives positive returns (positive sign) at 1 % confidence level, i.e., when rupee depreciates, further depreciation of Rupee with 1 % will result in increase of 0.84 % in DLF stock return & 1.67 % in Cairn India stock return.

Importing Blue Chip Companies' Stocks

Table – 4: Fluctuation more than 0.5% in any direction

Company	Multiple R	Std Error	f Value	Intercept	β Value
ABB	0.029	0.029	0.162	0.001	-0.207
<i>SAIL</i>	<i>0.044</i>	<i>0.037</i>	<i>0.033</i>	<i>0.002</i>	<i>(-0.401)**</i>
BPCL	0.017	0.031	0.396	0.001	-0.136
<i>BHEL</i>	<i>0.043</i>	<i>0.030</i>	<i>0.038</i>	<i>0.002</i>	<i>(-0.320)**</i>
<i>GRASIM</i>	<i>0.042</i>	<i>0.025</i>	<i>0.043</i>	<i>0.001</i>	<i>(-0.257)**</i>
MARUTI	0.003	0.026	0.901	0.001	-0.040
<i>ONGC</i>	<i>0.061</i>	<i>0.026</i>	<i>0.003</i>	<i>0.001</i>	<i>(-0.398)***</i>
Source: Author's Calculation					

Interpretation:

Here, when the fluctuation in forex rate is more than 0.5 %, the return of SAIL, BHEL, GRASIM & ONGC are significant negative (negative sign) at 5 %, 5 %, 5 % & 1 % confidence level respectively, i.e., when the return of forex rate is more than 0.5 %, either positive or negative, the change of 1 % in the return of the forex rate will bring change of 0.40 %, 0.32 %, 0.26 % & 0.39 % in the return of SAIL, BHEL, GRASIM & ONGC respectively in the adverse direction.

Table – 5: When Indian Rupee appreciates (more than 0.5%)

Company	Multiple R	Std Error	f Value	Intercept	β Value
<i>SAIL</i>	<i>0.045</i>	<i>0.037</i>	<i>0.032</i>	<i>0.002</i>	<i>(0.408)**</i>
<i>BHEL</i>	<i>0.045</i>	<i>0.030</i>	<i>0.031</i>	<i>0.002</i>	<i>(0.332)**</i>
<i>GRASIM</i>	<i>0.044</i>	<i>0.024</i>	<i>0.033</i>	<i>0.001</i>	<i>(0.268)**</i>
<i>ONGC</i>	<i>0.060</i>	<i>0.026</i>	<i>0.004</i>	<i>0.001</i>	<i>(0.394)***</i>
Source: Author's Calculation					

Interpretation:

Here, when Rupee appreciates against US Dollar more than 0.5 %, SAIL, BHEL, GRASIM & ONGC give positive returns (positive sign) at 5 % for the first three & at 1 % confidence level for ONGC, i.e., it implies that the return of the above mentioned companies will raise by 0.41 %, 0.33 %, 0.27 % & 0.39 % respectively, with the appreciation of Indian currency (Rupee).

Table – 6: When Indian Rupee devaluates (more than 0.5%)

Company	Multiple R	Std Error	f Value	Intercept	β Value
<i>SAIL</i>	<i>0.044</i>	<i>0.037</i>	<i>0.033</i>	<i>0.002</i>	<i>(-0.401)**</i>
<i>BHEL</i>	<i>0.043</i>	<i>0.030</i>	<i>0.038</i>	<i>0.002</i>	<i>(-0.320)**</i>
<i>GRASIM</i>	<i>0.042</i>	<i>0.025</i>	<i>0.043</i>	<i>0.001</i>	<i>(-0.257)**</i>
<i>ONGC</i>	<i>0.061</i>	<i>0.026</i>	<i>0.003</i>	<i>0.001</i>	<i>(-0.398)***</i>
Source: Author's Calculation					

Interpretation:

Here, when Rupee devaluates against US Dollar more than 0.5 %, SAIL (at 5 % confidence level), BHEL (at 5 % confidence), GRASIM (at 5 % confidence) & ONGC (at 1 % confidence) give negative returns (negative sign), i.e., 1 % devaluation of Rupee will cause the above mentioned companies' stock return to fall by 0.4 %, 0.32 %, 0.26 % & 0.4 % respectively.

Blue Chip Companies' Stocks with both business

Table- 7: Fluctuation more than 0.5% in any direction

Company	Multiple R	Std Error	f Value	Intercept	β Value
<i>SUZLON</i>	<i>0.059</i>	<i>0.052</i>	<i>0.064</i>	<i>0.000</i>	<i>(-0.530)*</i>
<i>SIEMENS</i>	<i>0.038</i>	<i>0.034</i>	<i>0.066</i>	<i>0.001</i>	<i>(-0.315)*</i>
<i>NALCO</i>	<i>0.065</i>	<i>0.032</i>	<i>0.002</i>	<i>0.001</i>	<i>(-0.516)***</i>
<i>RANBAXY</i>	<i>0.070</i>	<i>0.029</i>	<i>0.001</i>	<i>0.000</i>	<i>(-0.510)***</i>
CIPLA	0.029	0.030	0.162	0.000	-0.217
HINDALCO	0.015	0.033	0.469	0.000	-0.124
HLL	0.012	0.028	0.557	0.000	-0.085
L & T	0.022	0.032	0.296	0.001	-0.171
ITC	0.021	0.028	0.308	0.001	-0.148
<i>RELIANCE</i>	<i>0.040</i>	<i>0.033</i>	<i>0.054</i>	<i>0.001</i>	<i>(-0.321)*</i>
STERLITE	0.015	0.043	0.574	0.002	-0.129
SUN PHARMA	0.010	0.028	0.619	0.001	-0.071
TATA STEEL	0.025	0.032	0.215	0.001	-0.201
<i>TCS</i>	<i>0.063</i>	<i>0.032</i>	<i>0.024</i>	<i>0.000</i>	<i>(0.390)**</i>
WIPRO	0.010	0.037	0.632	0.000	0.091
Source: Author's Calculation					

Interpretation:

When overall change is more than 0.5 % in the forex rate in any direction, NALCO & RANBAXY are significant at 1 % confidence level to give negative returns, while at 5 % confidence level, return of TCS is positive. RELIANCE Industries, Suzlon & Siemens have given negative return at 10 % significance level, i.e., the return of NALCO, RANBAXY, Siemens, Suzlon, Reliance is affected by 0.52 %, 0.51 %, 0.31 %, 0.52 % & 32 % respectively in adverse direction & the return of TCS is raised by 0.39 % with the change of 1 % in foreign exchange rate return.

Table – 8: When Indian Rupee appreciates (more than 0.5%)

Company	Multiple R	Std Error	f Value	Intercept	β Value
<i>SUZLON</i>	<i>0.063</i>	<i>0.052</i>	<i>0.051</i>	<i>-0.001</i>	<i>(-0.566)*</i>
<i>SIEMENS</i>	<i>0.038</i>	<i>0.034</i>	<i>0.069</i>	<i>0.001</i>	<i>(-0.315)*</i>
<i>NALCO</i>	<i>0.064</i>	<i>0.032</i>	<i>0.002</i>	<i>0.001</i>	<i>(-0.503)***</i>
<i>RANBAXY</i>	<i>0.070</i>	<i>0.029</i>	<i>0.001</i>	<i>0.000</i>	<i>(-0.503)***</i>
<i>RELIANCE</i>	<i>0.037</i>	<i>0.033</i>	<i>0.074</i>	<i>0.001</i>	<i>(-0.299)*</i>
<i>TCS</i>	<i>0.064</i>	<i>0.032</i>	<i>0.022</i>	<i>0.000</i>	<i>(0.394)**</i>
Source: Author's Calculation					

Interpretation:

When there is a change of more than 0.5 % & Rupee is appreciating, NALCO & RANBAXY are significant at 1 % to give negative returns while at 1 % confidence level, return of TCS is positive. RELIANCE Industries, Suzlon & Siemens have given negative return at 10 % significance level, i.e., 1 % appreciation of Indian currency will cause stock return of Suzlon, Siemens, NALCO, RANBAXY & RELIANCE to fall by 0.57 %, 0.31 %, 0.50 %, 0.50 % & 0.30 % & the return of TCS to rise by 0.39 %.

Table – 9: When Indian Rupee devaluates (more than 0.5%)

Company	Multiple R	Std Error	f Value	Intercept	β Value
<i>SUZLON</i>	<i>0.059</i>	<i>0.052</i>	<i>0.064</i>	<i>0.000</i>	<i>(-0.530)*</i>
<i>SIEMENS</i>	<i>0.038</i>	<i>0.034</i>	<i>0.066</i>	<i>0.001</i>	<i>(-0.315)*</i>
<i>NALCO</i>	<i>0.065</i>	<i>0.032</i>	<i>0.002</i>	<i>0.001</i>	<i>(-0.516)***</i>
<i>RANBAXY</i>	<i>0.070</i>	<i>0.029</i>	<i>0.001</i>	<i>0.000</i>	<i>(-0.510)***</i>
<i>RELIANCE</i>	<i>0.040</i>	<i>0.033</i>	<i>0.054</i>	<i>0.001</i>	<i>(-0.321)*</i>
<i>TCS</i>	<i>0.063</i>	<i>0.032</i>	<i>0.024</i>	<i>0.000</i>	<i>(0.390)**</i>

Source: Author's Calculation

Interpretation:

When overall change is more than 0.5 % in the forex rate in any direction, NALCO & RANBAXY are significant at 1 % confidence level to give negative returns, while at 5 % confidence level, return of TCS is positive. RELIANCE Industries, Suzlon & Siemens have given negative return at 10 % significance level, i.e., the return of NALCO, RANBAXY, Siemens, Suzlon, Reliance is affected by 0.52 %, 0.51 %, 0.31 %, 0.52 % & 32 % respectively in adverse direction & the return of TCS is raised by 0.39 % with the change of 1 % in foreign exchange rate return.

SENSEX Return(#) – Foreign Exchange Rate(##):

Table – 10: Impact of Foreign Exchange Fluctuations on SENSEX Return

Fluctuation	Multiple R	Std Error	f Value	Intercept	β Value
Overall	0.015	0.018	0.470	0.001	0.065
When Rupee appreciates	0.019	0.017	0.361	0.001	0.082
When Rupee devaluates	0.015	0.018	0.470	0.001	0.065
Source: Author's Calculation					

Interpretation:

SENSEX return moves positively with the foreign exchange rate movement in all situations.

NIFTY Return (#) - Foreign Exchange Rate (##):

Table – 11: Impact of Foreign Exchange Fluctuations on NIFTY Return

Fluctuation	Multiple R	Std Error	f Value	Intercept	β Value
Overall	0.023	0.017	0.269	0.001	-0.098
When Rupee appreciates	0.020	0.017	0.334	0.001	-0.087
When Rupee devaluates	0.023	0.017	0.269	0.001	-0.098
Source: Author's Calculation					

Interpretation:

NIFTY Return moves negatively with the foreign exchange rate movement in all situations.

Conclusion:

The blue chip stock prices fall down, if the company is doing export, when rupee appreciates

against US dollar & vice versa, if the company is doing import.

When rupee depreciates, the stock prices of blue chip companies increases, if the company is doing export & vice versa, if the company is doing import.

A very interesting fact is found that IT sector companies (Infosys, TCS & Wipro) are not affected by the foreign exchange rate fluctuation & has shown a positive return in all situations.

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“Effective E-governance through Process Re-engineering”

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Abstract

E- Government (short for electronic government, also known as, transformational government , online government, E-gov, connected government or digital government) offers transparent and cost effective transaction between government and citizens (G2C – government to citizens), government and business enterprises (G2B –government to business enterprises) and relationship between governments (G2G – inter-agency relationship). Effectiveness in government services has become need of nation. Government is spending huge amount for various e-governance initiatives for example total outlay of National E-governance Plan (NeGP) is approximately 32,488.18 Crores. In every old or manual government service, there is need for fundamental rethinking, radical redesign and dramatic improvement. With the help of various online government services high level of transparency in government operations has been achieved. Effectiveness can be achieved by process reengaging through Information Communication Technology (ICT) and ICT is playing major role in redesigning various government processes. The main objectives of process re-engineering improves various government service accessibility, reduces administrative burdens, reduces costs to administration, provides integrated services, improves quality of services, tailor services to citizens’ needs, increases citizen empowerment, increases revenue, ensures security, provides strategic direction, ensure control.

This paper in this context presents the brief overview of how Government process re-engineering helps government to achieve above objectives so that it can offer more effective services and suggests model for re-engineering government process.

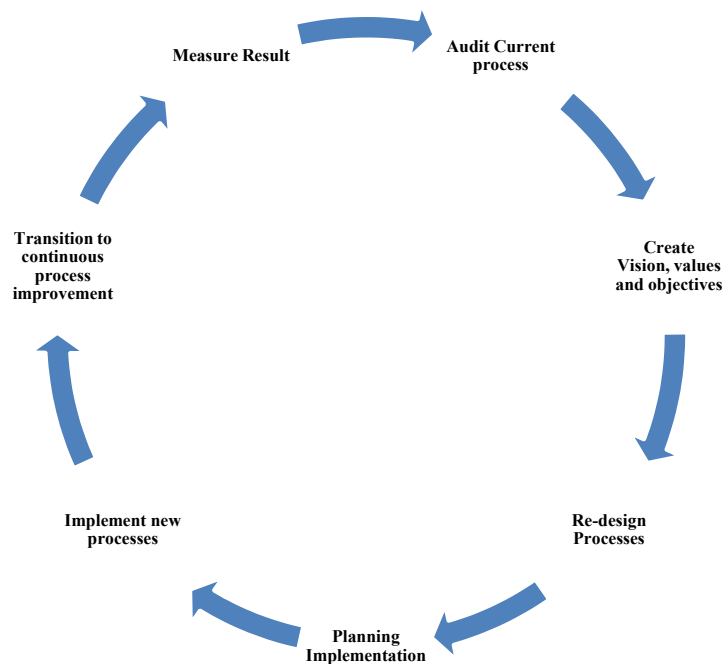
Introduction:

Dr. Perri gives an elaborate definition of governance in his book devoted to E-governance

(2004). He defines governance as analysis and understanding of problems by elected and appointed politicians and their senior staff, the making of policy, the process of deliberation and cogitation, the process of exercising and cultivating political judgment, the making of decisions, and the oversight and scrutiny that other politicians and regulators exercise. In short, the term governance is used to describe exercise of public power for steering social systems.

Government Process Re-engineering is the fundamental rethinking and radical redesign of Government Processes to achieve dramatic improvements in Cost, Quality, Service and Speed. Government Process Re-engineering not always need automation. In government services, people expect more transparency, trustworthiness and less visits to government offices which save the time. E-governance and government process re-engineering are best solution for this.

Government Process Re-engineering:



These are the very basic steps of government process re-engineering, which starts from auditing current process if process is not found efficient, new vision and objectives needs to be created after accessing available resources. Then with fundamental rethinking of government process, re-design of old process is carried out. In this step especially in Government Process Re-engineering, capacity of adaptation is a

crucial concern because final user of processes will be either government employee or citizens. Then planning of implementation is also an important step there are many options available, one can implement in entire government department or can go incrementally. But before implementing there must be proper training to final users. If users are not convinced

for probable benefits, they may resist changing and result will affect Government Process Re-engineering project. After planning implementation is carried out and then there should be transition to continuous process improvement. Improvement is an endless process. Measurement of result is also a most important step as it gives idea how entire Government Process Re-engineering has resulted. Measurement is not a last step next is again auditing current process. Means Government Process Re-engineering never ends until process is 100% perfect, effective and efficient.

National e-Governance plan – Tool for Government Process Re-engineering in India:

The great initiative of Indian government towards improving on services is the National e-Governance plan (NeGP) of Government of India. The main aim is to provide and make various government services available even to rural citizen near to his home by the way of common service delivery outlets and provide services with more transparency, effectiveness and reliability that to cost effectively.

Under NeGP, there are 27 Mission Mode Projects (MMP) along with the implementation of basic infrastructure, and other support components. All MMPs are to be implemented across 20 Central Government departments, 35 States and UTs involving 360 different departments, and certain ones in an integrated manner. In implementation if NeGP government needs to check various capabilities without which even most costly infrastructure will be of no use. All states and Union territories are not same in terms of adaptation capabilities. Different states have different priorities for ICT infrastructure development.

Main reasons why NeGP implementation is a big challenge is firstly there is lack of staff with appropriate background and aptitude. Secondly if government is using Public Private Partnership (PPP) model for implementation, but still there is lack of effective policies for administrating such contracts and last but most complex challenge is capacity building in the domain of e-Governance

Each Mission Mode Project is owned and spearheaded by the relevant ministry/agency of the national government or by a state government and is called mission mode because it has definite timetable, service level, project implementation team and process re-engineering plans.

Data Analysis:

In this research we have analyzed total 354 respondents world Wide and got responses from

Australia, Bangladesh, Bulgaria, Croatia, India, Oman, Pakistan, Philippines, Qatar, Saudi Arabia, Singapore, Swaziland, Tanzania, Uganda, United Kingdom and United States.

County Country of residence	
Indian	311
Non-Indian	43
	354

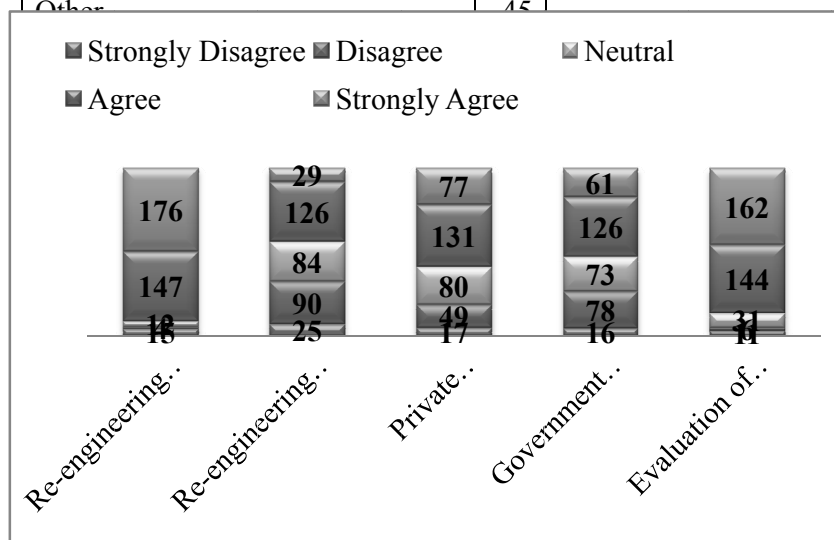
As we can see that 43 out of 354 belongs to country other than India which helped us to understand what people think of government services and whether they also think that government Process re-engineering is also helps government a lot for better delivery of services.

Then we asked where they live, most of them are living in metro cities and in district we can see that very few i.e. 15 and 16 respondents are stating in Tehsil/taluka and in village respectively. All questionnaires were administrated on internet so we can say that internet has still not reached to rural area or people are not habituated to use it. It's an indication to government that ICT can be a good weapon for effective governance but still government should run awareness programs for rural area.

You stay in	
Metro city	181
District	142
Tehsil	15
Village	16

Industry in which you are working	
Education	16
Information Technology	52
Government	37
Consultancy	37
Manufacturing	16
Other	45

As we can see that most of the respondents (167) belongs to Education sector. Then IT Industry followed by other, then govt. Sector, consultancy and manufacturing. Respondents belonging to Government sector 36 out of 37 responded that they think that government should re-engineer old processes. It implies



that if employees / process owners are not satisfied with current way of working than there is for sure need of innovation in government practices.

Only 2% i.e. 6 respondents denied

“CORPORATE GOVERNANCE PRACTICES IN POWER SECTOR: AN EMPIRICAL STUDY OF SELECTED INDIAN COMPANIES”

BY

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Abstract

Corporate Governance has become the buzzword in recent times. This is the result of increase in investor awareness, greater emphasis on transparency by various factors and increased investor's literacy. The economic policy of Liberalization, Privatization and Globalization demands greater transparency and proper implementation of corporate governance standards.

The present study aims to examine the governance practices prevailing in the corporate sector within the Indian regulatory framework. The study is conducted to assess governance practices and process followed by Indian corporate houses. The study also aims to assess the substance and quality of reporting of Corporate governance practices in annual reports. The study is conducted on four renowned companies in Power sector viz. NTPC Ltd., Power Grid Corporation of India Ltd., Reliance Infrastructure Ltd. And Tata Power Ltd.

The study aims to evaluate the state of compliance of various governance parameters in these companies. The parameters include the Statutory and Non mandatory requirements stipulated by revised Clause 49 of the listing agreement as prescribed by Securities and Exchange Board of India (SEBI) and relative amendments in the Companies Act, 1956.

Empirical Study

Sample Size, Period of Study and Rationale

The sample for this study comprises 4 (Four) renowned corporate houses representing the Power Sector viz. NTPC Ltd. (NTPC), Power Grid Corporation of India Ltd.(PGCIL) , Reliance Infrastructure Ltd. (RIL) And Tata Power Ltd. (TPL). All Four companies are listed in National Stock Exchange (NSE) and are part of NSE Nifty index. The selection of these companies are made on the ground that they are renowned players in the Power Sector and their scripts dominate and influence the stock market movement of the country. These companies are having a large basket of products.

For the Financial Year Ending 2012 the companies' performance on standalone basis can be summarized as follows. NTPC achieved a turnover of Rs. 62481 crores and is earned a profit before tax of Rs. 12,326 crores. PGCIL achieved a turnover of Rs. 10,035 crores and earned a profit before tax of Rs. 4597.60 crores. RIL achieved a turnover of Rs. 10035 crores and earned a profit before tax of Rs. 4,598 crores. TPL achieved a turnover of Rs. 8,496 crores and earned a profit before tax of Rs. 1,683 crores. The research is conducted with the help of the published annual reports, for the year ending 2012 of these companies.

The reasons for the selection of the period are as under.

- Clause 49 of the listing agreement was introduced by the SEBI in the year 2000, which was specifying the principles of corporate governance to be followed by the listed companies. Thereafter, SEBI incorporated various committees' recommendations in Clause 49 of Listing Agreement and revised it seven times within the period of 2000 – 2005. The latest and revised Clause 49 of listing Agreement has been introduced on 29th October, 2004 to be effective from 1st January, 2006. Moreover, as many as twenty four amendments in The Companies Act, 1956 till date, of which at least three amendments pertaining to corporate governance were made during the period of 1999, 2000 & 2001. Therefore, it is considered prudent to examine and review the status of corporate governance compliance by these companies.
- The Voluntary Guidelines on corporate governance was also released by Ministry of Company Affairs in the year 2009.
- In a recent development, the Companies Bill, 2012 also enhances the provisions related to the corporate governance.
- Annual reports for the year 2011-12 would give some glimpse of the state of latest corporate governance and disclosure norms.

In order to assess the structure and processes for corporate governance followed by Information Technology companies, their effectiveness in terms of substance and quality of disclosures of corporate governance in the annual reports, we have conducted the study based on the statutory and non-mandatory requirements stipulated by the revised clause 49 of the listing agreement as also the provisions required by the Companies Act 1956.

Analysis

Our Analysis is made in two parts:

- a) Shareholding pattern in NTPC, PGCIL, RIL & TPL
- b) Key Governance parameters and their compliance status in these companies.

Share Holding Pattern

A summary of the share holding pattern as per the annual report of 2011-12 for NTPC, PGCIL, RIL & TPL is shown in Table: 1 (Available on next page)

Observation from Table 1

1. Clause 35 of SEBI listing agreement prescribes a format in which a listed company is supposed to file with the stock exchange its shareholding pattern on a quarterly basis. Generally, the same format (as indicated in Table 1) is used by listed companies in disclosing information of their share holding pattern in the annual report.

It is observed that all companies have furnished the information about share holding in their annual report.

Table : 1 Share Holding Pattern of NTPC, PGCIL, RIL & TPL for the year 2011-12

Categories	NTPC	PGCIL	RIL	TPL
A) Promoters' Holding				
1. Promoters				
a. Indian	85	70	49	32
b. Foreign				
2. Persons Acting in concert				
3. Friends & Associates of Promoters				
Sub Total (A)	85	70	49	32
B) Non Promoters' Holding (%)				
1. Institutional Investors				
a. Mutual Funds & UTI	02	3	3	4
b. Financial Institutions		2		
c. Banks and Insurance companies	07	1	18	23
d. FIIs	04	13	15	22
Sub Total (B)	13	19	36	49
C) Others (%)				
a. Private Corporate Bodies		05		
b. Indian Public	02	05	15	15
c. NRIs and OCBs				

d. ADRs and GDRs				4
e. Foreign Banks \ COMPANIES				
f. Any Others		01		
Sub Total (C)	02	11	15	19
Sub Total (B&C) (D)	15	30	51	68
E) Equity share underlying ADS / others				
Grand Total (A) + (D) + (E)	100.00	100.00	100.00	100.00

- The ownership system is concentrated (between 70% to 80%) in two companies mostly in promoters in case of all companies. But in case of Tata Power, the promoters holding is only 32%
- The management and control of operations of all companies are delegated to the managers under governance of the board controlled by the promoter groups. However, TPL can be said as a company having a mentor based culture.
- In Tata Power the FII's share holding is significant high at 22% .
- The share holding of small, individual and retail Indian investors is around 15 % in Reliance Infrastructure Ltd. And in Tata Power Ltd. which is higher compared to the others, signifying better 'say' of stake holders in the management.

Key Governance Parameters

We now examine the corporate governance report of these companies and ascertain the actual position with respect to the following key governance parameters.

- Statement of Company's Philosophy on Code of Governance

The Corporate Governance Practices in NTPC Limited are based on the following broad principals:

- "As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success." The Company believes in sustainable Corporate Growth by managing potential conflict of interests by putting in place a system of checks and balances between various stakeholders. This ensures satisfied customers, willing suppliers and creditors, happy investors, progressive, unified and uplifted community, motivated employees, assured government and enriched society.

Our Company has embedded the code of corporate conduct in each of its systems for environmental, economic and social sustainability.

Besides adhering to provisions of Listing Agreement, we also follow the Guidelines on Corporate Governance issued by Department of Public Enterprises, Government of India.

The Power Grid Corporation's philosophy on corporate governance encompasses achieving the balance

We will become a Global Transmission Company with Dominant Leadership in Emerging Power Markets with World Class Capabilities by:

1. World Class: Setting superior standards in capital project management and operations for the industry and ourselves.
2. Global: Leveraging capabilities to consistently generate maximum value for all stakeholders in India and in emerging and growing economies.
3. Inspiring, nurturing and empowering the next generation of professionals.
4. Achieving continuous improvements through innovation and state of the art technology.
5. Committing to highest standards in health, safety, security and environment.”

The corporate governance philosophy in Reliance Infrastructure are as under:

Reliance Infrastructure follows the highest standards of corporate governance principles and best practices by adopting the “Reliance Group – Corporate Governance Policies and Code of Conduct” as is the norm for all constituent companies in the group. These policies prescribe a set of systems and processes guided by the core principles of transparency, disclosure, accountability, compliances, ethical conduct and the commitment to promote the interests of all stakeholders. The policies and the code are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of our stakeholders.

The Tata Power's philosophy on Corporate Governance is driven by

As a Tata Company, Corporate Governance is about the way we do business, encompassing every day business activities. It is not an add - on; it is part of our way of working. The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, social obligations, environment

and regulatory compliances.

This philosophy has been sought to be strengthened through the Tata Code of Conduct, the Tata Business Excellence Model and the Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure Practices, which form guidelines for “Leadership with Trust”. The Company is committed to focus its energies and resources in creating and positively leveraging shareholders’ wealth, and at the same time, safeguard the interests of all stakeholders.

In addition to these, the Company has also adopted the requirements of Corporate Governance under Clause 49 of the Listing Agreements with the Stock Exchanges

- Board of Directors / Board Issues

We examine various aspects of the board of directors viz. Board Structure, Board Strength and size, directors’ attendance and a few other in the following paragraphs.

- Board Structure, Strength and Size

Table : 2 Board Structure, Strength and Size of NTPC, PGCIL, RIL & TPL
for the year 2011-12

Categories	NTPC	PGCIL	RIL	TPL
1. Total No. of Directors	17	08	06	13
a. No. of Executive Directors (EDs)				
(i) Promoters			01 (C)	
(ii) Others	07 (c)	04 (C)		03 (C)
b. No. of Non Executive Directors (NEDs)				
(i) Promoters				
(ii) Independent (IDs)	08	02	04	06
(iii) Nominee	02	02		
(iv) Others			01	04
2. Total Number and Percentage of :				
(i) Executive Directors (EDs)	7 (41%)	4 (50%)	01(17%)	3(23%)
(ii) Non Executive Directors (NEDs)	10 (59%)	4 (50%)	83(84%)	10(77%)
(iii) Independent Directors	8 (47%)	2 (25%)	4 (66%)	6(46%)

Observation from Table 2

1. NTPC has 8 independent directors as against the requirement of 9 directors.
2. PGCIL has only 2 independent directors as against the requirement of 4 independent directors.
3. RIL a promoter Executive chairman in the board, while other have a non promoter chairman on the board.
4. TPL has also only 6 independent directors as against the requirement of 7 directors.
5. Except RIL all other companies do not meet the minimum requirement of the independent directors as stipulated in Clause 49.

According to provisions of Clause 49 of the listing agreement,

- (i) The Board of directors of the company shall have an optimum combination of executive and non-executive directors with not less than fifty percent of the board of directors comprising of non-executive directors.
- (ii) Where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case he is an executive director, at least half of the Board should comprise of independent directors.

As mentioned in above table, NTPC, PGCIL and TPL have a non promoter chairman whereas the RIL have promoter chairman.

Table : 3 Number of Board Meetings and Attendance of directors of NTPC, PGCIL, RIL & TPL for the year 2011-12

Categories	NTPC	PGCIL	RIL	TPL
0				
1				
2	02			01
3	02	01		
4	01	01		01
5***		01	06	06
6****				05
7				
8	01			
9				
10	01			
11				
12	01			
13	01			
14	01	01		
15	01			

16*	06	01		
17				
18		01		
19		01		
20**		01		
Last Annual General Meeting Attended	14	06	06	12

* Total No. of board meetings held at NTPC is 16

** Total no. of Board meetings held in PGCIL during the year 2011-12 is 20

***Total no. of Board meetings held in RIL during the year 20011-12 is 05

****Total no. of Board meeting held in TPL during the year 2011-12 is 06.

Observation from Table 3

1. The NTPC board met 16 times, PGCIL board met 20 times while, RIL board met 5 times during the year and TPL board met 06 times during the year.
2. Out of 06 directors at RIL , all 6 directors (including the chairman) attended all board meetings recording almost 100 % attendance of the total board meetings, considered as a reasonably good attendance, indicating to high level of accountability of the board members towards their stakeholders.
3. Out of 17 directors at NTPC, 06 attended all board meetings this also indicates attendance of only 35%, it is not considered as a reputed percentage.
4. In a significant development, all directors of RIL attended last AGM which itself is a sign of directors' accountability towards its shareholders.
5. It is to be noted that in TPL, 12 out of 13 directors attended the last AGM.

However, all Four companies met the norms and provisions of section 285 of the Companies Act, 1956 and clause 49 of the Listing Agreement regarding the minimum number of board meetings to be held in a year, and gap between two board meeting,

- **Disclosure of Stakeholders' Interest.**

Here the focus is on the reports provided by some other companies, which include the various initiatives and measure taken by them on the following items to meet the commitments, expectations and interest of stakeholders ;

- Environment, Health and Safety
- Human Resources Development

- Corporate Social Responsibility
- Industrial Relations.

All companies indicated various steps taken by them for the above mentioned areas. The steps taken in these areas neither falls under the corporate governance report nor are a part of the clause 49 of the listing agreement.

TPL, in its annual report describes the projects initiated by the company for social development in various parts of the countries. The annual report also mentions that it continued to involve itself in social welfare initiatives across the Country, both through charity and social investment around issues like education, health and upliftment of the underprivileged.

Similarly, other companies have also provided details of various steps taken by them as a social responsibility.

Table : Criterion for Evaluation of Governance Standard for the year 2011-12

No.	Governance Parameters	Points / Score Assigned
1	Directors Related Disclosures	25
2	Board Committees related disclosures	25
3	Transparency Related Disclosures	25
4	General Information and share holder related disclosure	25
	T O T A L	100

Evaluation of Governance Standard.

After analysis of governance structure, process and disclosures made on corporate governance, the question comes to mind is what is the standard and quality of governance that has been achieved by NTPC, PGCIL, RIL and TPL.

Considering the fact that there have been certain genuine difficulties because of non availability of inside information, no scope for discussion with key officials of these companies, their auditors – internal auditors, directors and major shareholders etc.

As an alternative, it is developed as a working method, which is described in table 4. It was designed on the basis of Clause 49 of the listing agreement. This point based method gives

weight-age to various components and ultimately, each of these companies has been awarded different points on key parameters.

Score Range	Rank
86 – 100	Excellent
71 – 85	Very Good
56 – 70	Good
41 – 55	Average
Below 41	Poor

Results

It has been observed that amount the Four renowned Power companies, Tata Power scores highest 79 points. The Reliance Infrastructure scores 75 points followed by Power Grid Corporation scores 64 points whereas NTPC 62 points.

Conclusion

In spite of some limitations, of the study viz. dependence on the secondary sources of information etc. the study helps us to pinpoint the effectiveness of corporate governance practices in these companies. From This perspective the study has its own importance and relevance.

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“A Various Causes Creating Hurdles in Effective Implementation of Corporate Governance”

BY

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Abstract

Corporate Governance deals with determining ways to take effective strategic decisions. In today's market- oriented economy, the need for corporate governance arises. Also, efficiency as well as globalization is significant factors urging corporate governance. Corporate Governance is essential to develop added value to the stakeholders. Corporate Governance ensures transparency which ensures strong and balanced economic development. Good corporate governance ensures corporate success and economic growth. Strong corporate governance maintains investors' confidence, as a result of which, company can raise capital efficiently and effectively. There are many companies which have paid auditors on their company pay roll. This people when they join the company, they are neutral but later on they start manipulating with the company owners and results into corporate scams. Shareholder model of corporate governance under which directors mainly focus on short term goals had failed, because it was to some extent reason for lack of accountability and excessive short-termism which created insufficient risk management. The remuneration issues have been found as one of the main reasons for banking crisis in UK and USA. Bonus driven remuneration strategies illustrate risky structures of payments and contradicts to the issues of stability of banks and shareholder interest. Risks are involved in running almost every enterprise and the task of the companies' boards is to be able to determine risk and handle it appropriately in order to create business value.

Key words: *Corporate governance, importance of corporate governance, causes for corporate governance failure*

“A Study on Ethical Issues and Challenges of Whistle Blowing in India”

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Abstract

Whistle blowing is the term applied by employees relating to the reporting of illegal, immoral, or illegitimate practices under the control of their employers to parties who can take corrective action. Whistle blowing always involve revealing information which would not ordinarily be revealed, in addition, an actual intention to prevent something bad that would otherwise occur. Whistle blowing is a valuable tool in organization's corporate governance strategy as it empowers employees to act on incidences of misconduct and help to maintain safety at workplace along with profit and goodwill. Often whistle-blower has to face ethical dilemma between situations like 'whether to be loyalty towards the corporation or towards society or to the law and morality?'

One critical issue faced by whistle-blowers is experiencing retaliation, ranging from being fired to being vilified. Both the employer and the employee have responsibilities towards organization, society, and on one another. Here employee abrogates his or her responsibility and put false claims that employees are revealing confidential matters for misguiding people. This claim may not be totally true by them. On the positive side, whistle-blower can help organization correct errors in unsafe products and working conditions and curb wasteful practices. Whistle-blower may provide underutilized source of information which is critical in maintaining the performance of giant companies.

Whistle-blowers are less likely to report workplace misconduct when their employers do not provide clear internal reporting channels. And in some cases whistleblowing carries connotations of betrayal rather than being seen as a benefit to the public. Whistleblowing is one of the most direct methods of shining the light on corruption to help to ensure that whistle-blowers are adequately protected from reprisals and to provide them with easy-to-access avenues to make their disclosures, there are cases under which business secrets were published in a name of "Whistle-blowing", problems likes honesty – eyewash, impotent, narcissistic etc, may arrives which can affect the organizations performance adversely.

“Roles and Responsibilities of SEBI: Implementation of Prohibition of Insider Trading Regulations”

Brijesh Kakadiya

BY
Sachin Ghodadara

Sumeet Agarwal

Abstract

With the discovery of massive frauds in the Indian and International capital markets, regulators and legislatures have increasingly turned towards making corporate governance standards mandatory and have attached penalties to violation of these corporate governance guidelines. Buying and selling of securities of any company is a legal activity for everybody.

When it comes

to insiders such as directors, managers and workers of a company, they can also buy or sell securities of their companies by abiding company's policy and SEBI's regulation. Regulation on

insider trading clearly says that it will be considered illegal if the insiders of public limited company trade on the basis of price sensitive undisclosed information to make profit or avoid loss. Insider trading can be illegal or legal depending on when the insider makes the trade: it is illegal when the material information is still nonpublic--trading while having special knowledge is unfair to other investors who don't have access to such knowledge. Illegal insider trading therefore includes tipping others when you have any sort of nonpublic information. The buying or selling of a security by someone who has access to material, nonpublic information about the security. The purpose of the researcher is to justify that the all insider trading is not illegal. The Doctrinal Research Methodology has been used under this study. To justify the objective of the paper, researcher has also used Case Study method. This paper clarifies what is Legal insider trading and what is Illegal insider trading with the implication of SEBI Act, 1992. The Researchers have tried to cite relevant examples to support the conclusion of the paper. Further, researchers have provided various examples on which it can be justified that insider trading be legal as well as illegal.

Keywords: Insider Trading, Transaction, Relatives of Insiders, Unpublished price sensitive data

“Effective Application of Technology bringing Good Governance in Government Organizations: A Case Analysis”

BY

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Abstract

Importance of corporate governance is increasing day by day. Number of small business units is increasing day by day. However, starting a new business and earning profit is different than contributing to society. Good governance of the business is also important. It is also part of company's ethical behavior. Good corporate governance increases the credibility of the organization while bad governance deteriorates company's image. Good corporate governance increases benefits to customers, suppliers, employees, partners, stake holders and ultimately to the society.

Apart from the corporate and business houses good governance is also a necessity for government organizations. Some of the problems in implementing good governance in the government organizations are infrastructure, lack of co-ordination among departments, lack of transparency, less accountability towards civil society and skilled human resources etc. Up to great extent information Technology can be helpful to fight with these problems. Innovative use of technology has helped providing good governance in the government organizations.

This paper will focus on use of innovative technology in government organizations which improved governance and accountability towards society. This paper also identifies the ways and system used by these various firms to reach at mass community.

The flow of the paper will be introduction, literature review, and objectives of the study, role of governance, Structure and characteristics of IT, technological challenges and opportunities, followed by examples of GTU, EMRI-108 services, BRTS, and future road map.

Keywords: Good governance, Technology, Innovation, Government organization, GTU, BRTS, EMRI.

“A Conceptual Framework To Protect Investors Through Governance: An Overview”

BY

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ABSTRACT

Shareholders or investors of a firm who are too many and disseminated cannot manage it, therefore they elect representative for management of the firm who include Board of Directors and senior executives like Chief Executive Officers and Chief Financial Officers. The main aim behind this is to maximize the shareholders returns. Such mismatch of objectives results in agency problem.

Investors do realize and accept a certain level of self-interested behaviors in managers while they representative responsibility to them. But when such self-indulgence by managers exceeds reasonable limits, principles of Corporate Governance come into check such manipulations and malpractices. The main element of corporate governance lies in designing and pitting in place mechanism such as disclosures, monitoring, oversight and corrective systems that we can align the objectives of investors and managers as closely as possible and minimize agency problem.

The aim behind this research is to protect investors because in present scenario the fraud by corporate towards shareholder and investors are increases. I define the differences in laws and the effectiveness of their enforcement in the countries, check the possible origins of these differences, summarize their significances, and assess potential strategies of corporate governance reform.

Key words: Investor Protection, SEBI guidelines, Investor Education, Investor Education and Protection Act

“Whistle blowing- Effective means to combat crime and protection of whistle blower”

BY

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ABSTRACT

All nomenclature about creating effective Corporate Governance in Governments, Businesses & Services, Universities, Corporations, Hospitals, NGOs and Co-operatives Society. It is a complex matter. Corporate governance is a mirror image of the company's culture, policies, relationship with stakeholders, obligation to values and ethical business conduct. Without a corporation embraces and shows ethical conduct, it will not be able to succeed. Whistle Blower means a person who reports against corruption or any other such malpractices which take place in organization whether private or public. It is probable that many people do not even consider blowing the whistle, not only because of fear of retaliation, but also because of fear of losing their relationships at work and outside work. It is highly important that people, who are passionate to fight against the corruption in both public and private sector, should be protected by law and that their interests are protected. Elimination of unethical or improper practices is the responsibility of respective corporate promoters and management. Can whistle blowing as a part of good governance help in detecting and struggling economic crime? In order to understand the effectiveness of a whistle blowing mechanism, it was felt necessary to assess the awareness, usability and trustworthiness of the grievance reporting systems among Indian companies across various sectors. This paper first highlights the relevant literatures regarding the types of whistleblowing and the whistleblowing process. Second, it discusses about how organizational loyalty differs from whistleblowing. Next, this paper discusses about the reasons and the motivations of the whistleblowers. Finally, it emphasizes on the consequences of whistleblowing and what are some of the various laws to protect the whistleblowers.

“ARE CORPORATE FRAUDS MORE OWING TO NON ENTITY OF BUSINESS ETHICS THAN CREATIVE BOOK KEEPING? An overview with governance perspective”

BY

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ABSTRACT:

Fraud essentially involves using deceitfulness to make a personal gain for oneself dishonestly and/or create a loss for another. The term ‘fraud’ commonly includes activities such as theft, corruption, conspiracy, misappropriation, money laundering, bribery and extortion. One of the key aspects of fraud is deception, so fraud can be difficult to identify. Often survey results reveal only the instances of fraud that have actually been discovered. It is estimated that the majority of frauds go undetected and in fact some frauds may not be reported even when they are found. It is also often hard to make out fraud from carelessness and poor record keeping. Ethical Behavior and Corporate Governance has key role in fraud prevention, deterrence and response. The corporate work culture should not compromise on ethical and responsible decision making. It is not an ornamental aspect of public relations; it should be the core requirement for all decision making process in organization. Organization should develop codes of conduct for their directors and executives that promote ethical and responsible decision making. Organizations for ensuring ethical decisions should establish compliance and ethics programmes to minimize the risks of ethical failure and of getting outside the legal boundaries.

Key Word: Ethical Business Practice, Corporate Governance, Corporate Fraud

“Effective e-governance mechanism in Healthcare Sector in India: A macro analysis”
”

BY

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Abstract:

Health care is one of the fastest growing sectors in Gujarat. The health care landscape in Gujarat is changing rapidly. Actually health care systems are usually large, complex and slow to respond to changes. Public health care services run by Government are over burdened and failed to provide adequate quality services. Large geographical size, increasing population, inaccessibility, illiteracy, poverty, poor nutritional status in children and women, different food habits are various impediments. The government priorities for providing basic necessities yet to be fulfilled. Lack of funds and coordination of various activities the benchmarking of the health care services as medical services is fast developing sector, there is urgent needs for dissemination of knowledge interrelate primary, secondary data and various territory of health centers by information computer technology. In this paper we have reviewed ICT in Gujarat State .We have also presented the facts various tele services and video conferencing. The prospectus and the hurdles of ICT implementation for the practice of good governance in the area of health care sector .Understand identify and proposed changes that are suggested.

“Human trafficking in India: Issues and Challenges”

BY

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Abstract:

India is developing country, but with economic and social development criminal and fraudulent activities are also increasing rapidly. Trafficking is becoming very common and popular word because in India many cases of human trafficking are noticed day by day. Every year, thousands of men, women and children fall into the hands of traffickers, in their own countries and abroad. Human trafficking is a crime and it is a violation of human rights. Trafficking in Persons as the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Human trafficking is observed for various purposes in India like, forced labour, extractions of organs, sexual slavery, surrogacy etc. Corruption includes many activities including bribery and embezzlement. Government, or 'political', corruption occurs when an office-holder or other governmental employee acts in an official capacity for his or her own personal gain. In all country there are legislation which are specially enacted for the solution of human trafficking but, in India many of our police officers, government employees, ministers, politicians, social servants and well known persons are providing support to traffickers or they connive with their activities. This paper is focusing on various issues and incidents of human trafficking in India, do's and don'ts as per legislation, reasons behind trafficking and areas of trafficking. For the research researchers studied different cases and what are the legal actions and constitutions are available against it. Researchers also focus on elements of human trafficking like, the act, the means, and the purpose along with the role of corruption in it. Researchers used secondary data and real cases for the paper and their main purpose behind this case is to identify role of corruption in human trafficking and solution regarding it.

Key words: human trafficking and corruption

“Promoting Integrity, Transparency and Accountability in delivering education services in India”

BY

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Abstract

Corporate governance is a set of processes, policies, regulations, and laws governing the way a corporation should be directed, administered and controlled to maximize the efforts of employees and resulting gains for all stakeholders. Transparency, integrity and accountability are the main constituents of good governance which is the main concern or mission and the ultimate goal in education services.

Purpose: Education is truly at crossroads especially after high corruption in education services in India. So emergence of corporate governance is an inevitable source in education services. The main purpose is to see the implications of integrity, transparency and accountability in education services through corporate governance.

Methodology: The study develops an estimate of the levels of corporate governance in education service in India. In this paper, we have used secondary data of the education system of India and analyzed the need and implementation of corporate governance in education services in India.

Major Results: From our research we found that adoption of good Corporate Governance has emerged in education service. It is not only a pre-requisite for facing intense competition for sustainable growth in the emerging global market scenario but is also an embodiment of the parameters of fairness, accountability, disclosures and transparency to maximize value for the stakeholders. The implications of good corporate governance in education services results in enhancing the level of education, decreases the corruption, builds the trust in education services and improves the quality of education.

Implications: This research may help the government to frame or to improve any policies through the implementation of the good corporate governance which can be beneficial for the students, society, and also for the nation. This research can also help the Govt. to remove the disadvantages of corporate governance and improve the education system.

Key Words: Corporate Governance, Integrity, Transparency, accountability.

“Analysis of governing mechanism system for the allocation of natural resources: A journey towards the resource conservation”

BY

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Abstract

Recently the terms "governance" and "good governance" are being increasingly used in development literature. Bad governance is being increasingly regarded as one of the root causes of all evil within our societies. Major donors and international financial institutions are increasingly basing their aid and loans on the condition that reforms that ensure "good governance" are undertaken. Good governance means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal. The concept of efficiency in the context of good governance also covers the sustainable use of natural resources and the protection of the environment. Good governance of natural resources and sustainable development must go hand in hand, or economies and nature are at risk. According to the growing impacts of climate change also is putting nations – including those on a “green” path – at risk of losing essential resources that are the building blocks of their economies. That suggests an urgent need to be efficient with resources such as water, and to manage them well. This paper examines how effective and efficient use of natural resources by industries leads them to good governance.

Key words: Good governance, natural resources, green path, economies

“A Study on Governance Practices in NGOs of India”

BY

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Abstract

Governance is the need of the hour in the development sector in order to ensure and promote application of best management practices, compliance of law and adherence to best possible ethical standards. In the case of a non-profit organization, governance relates to consistent management, cohesive policies, guidance, processes and right decision for a given area of responsibility. For example, managing at a corporate level might involve evolving policies on privacy, on internal investment, and on the use of data. Non-profit governance focuses primarily on the fiduciary responsibility that a board of trustees (sometimes called directors - the terms are interchangeable) has with respect to the exercise of authority over the explicit public trust that is understood to exist between the mission of an organization and those whom the organization serves.

Governance refers to how an organization controls its actions. Governance describes the mechanisms an organization uses to ensure that its constituents follow its established processes and policies. It is the primary means of maintaining oversight and accountability of the organization. A proper governance strategy implements system to monitor and record what is going on, takes steps to ensure compliance with agreed policies, and provides for corrective action in cases where the rules have been ignored or misconstrued.

The concept of "governance" is not new. It is as old as human civilization. In simple words, "governance" means: the process of decision-making and the process by which decisions are implemented (or not implemented). Governance can be used in several contexts such as corporate governance, international governance, national governance and local governance.

Since governance is the process of decision-making and the process by which decisions are implemented, an analysis of governance focuses on the formal and informal actors involved in decision-making and implementing the decisions made and the formal and informal structures that have been set in place to arrive at and implement the decision.

Keywords: *NGO (Non-Government Organization), Corporate Governance, International Governance, National Governance, Local Governance.*

“Right To Education In India: Challenges For Rural Girl Children”

BY

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Abstract

For the development of a society, there is the need of an inclusive progress of all the sections of the society, and for this perspective, it is important to bring the deprived, marginalized and weaker sections of the society such as rural women to the forefront of educational revolution in India. This is important for equitable growth of human resources and overall development of the nation. Education imparts knowledge, knowledge infuses a sense of confidence, courage and ability among all the section of people in society to know and overcome their problems associated with exploitation and to avail socio-economic and political opportunities extended to them. As a result, education in India is viewed as the best way of bringing social change and development. Soon after gaining independence in 1947, “making education available to all” has become a priority for the government. Although there is a significant increase in the literacy of population of all categories in India, rural women are far behind from the national increase, both in terms of national average and women literacy. Although the recent budgetary means, special initiatives taken by the government, country’s overall educational growth is not as per expectations. The situation is so gloomy among the rural women, particularly rural girl children. Hence, problems associated with education of rural women needs immediate attention and early resolution. Children of rural areas particularly the girl children continue to be deprived of quality education owing to factors like social stereotype, patriarchal mindset, cultural notion, lack of competent and committed teachers, delays and inadequacies in availing teaching learning materials, and such other issues. As the girl children in India, particularly in rural areas face different socio-cultural fabrics and hardships, it needs to be analyzed distinctively to find out the hard realities they face in their educational advancement.

The paper is intended to cover and analyse: problems associated with educational development of rural girl children; critical evaluation of government policies and possible intervention to promote education among rural girl children in India.

“Simplified Secure Railway Reservation for Public Transport An Easy and Sustainable Improve Railway Network”

BY

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In the New era of technology all system has to be updated, Indian Railway is the 2nd largest Rail Network in India it is the backbone of public and goods transport in India. Bulk of long distance traffic is carried by the Indian Railway. RFID system at many transport system so we think to implement biometrics in our research and then decided to use fingerprint module also for the add-on for user flexibility using GSM module for Communication purpose of sending and receiving message. In our Project Research we are trying to minimize railway Reservation Fraud and give more facility to traveler and improve society. Also simplify the Reservation System in that we will take fingerprint of the person who goes for reservation/ticket booking and help a lot humanitarian by this innovative technology. Standalone module which contains Finger Print Module verify the person's identity. Using GSM before the journey message will be send to the user with information. At time of journey Ticket checker will verify fingerprint with previously stored data using standalone module as a part of verification. By this more number of paper will be saved by that can help Railway in increasing their income by saving cost of paper. No need to carry identity proof. Due to this complicated and bulky reservation and transport system can be corrected

Index Terms—Biometrics, Fingerprint, GSM, Railway, RFID

“A STUDY ON ELECTRONIC BUSINESS SUPPLY CHAIN MANAGEMENT”

BY

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ABSTRACT

Purpose: To provide vision for adaption of Electronic Supply Chain Management (e-SCM) for the small and medium scaled manufacturing industries. It aims to challenge existing problems with manufacturing industries by providing benefits of e-SCM at lower cost.

Methodology: Spiral Model has been used for the development of this system. Interviewing and questionnaires methods are used to understand the client requirement very well. To practically implement this system the Software Development Life Cycle (SDLC) is followed.

Findings: Everyday new businesses surface up. In traditional SCM, they have to face their own challenges. But many challenges need to be addressed upfront– managing their business. Challenges in traditional SCM are (1) Maintenance of production schedule (2) Most valuable supplier selection (3) Penalty calculation for late delivery of components/services and (4) PL (Profit-Loss) analysis. In today’s competitive age, dispatching and in time delivery of component/services is important for the manufacturing industries and retaining the existing supplier are important to survive in the market.

Keywords: Electronic Supply Chain Management (e-SCM), Maintenance of Production Schedule, Most Valuable Supplier Selection, Profit-Loss Analysis (PL analysis), Penalty Calculation.

“Media and Good Governance”

BY

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Abstract:

"Governance" means: the process of decision-making and the process by which decisions are implemented (or not implemented). Good governance is the capability of the state to perform its key functions in response to the needs of its citizens, and to be accountable for what it does. Emphasis has therefore been placed on a people-centred ideology -- needs of the people, public interest, transparency, accountability and responsibility of the policy-makers. Media can consist of everything from national newspapers to student magazines, global broadcasters to community radio, websites and blogs to social networks and virtual communities, citizen journalists to government mouthpieces. To perform the monitoring duty, the media have been playing an important role in educating the people about the Information Act and good governance. The disclosure of government information by the media not only turns the people into informed citizens while the whole society is shifting towards post-modernity, it also encourages the people to exercise their right to know, which is imperative when they are to make choices regarding their participation in political-socio-economic affairs. Accurate and sufficient information enables the people to better enjoy their freedom of speech, helping them make rational decisions and take the right course of action beneficial to them. The Netizens are not just receivers of information; they also disseminate their own content, much of which is about the decision making and performances of the state. Freedom of citizens, a free and responsible press, an independent judiciary and government's data information are the system which can be perceived to be the key to the enhancement of right to information and make the institutions of governance transparent and accountable. The right to information, guaranteed rights and press and publication right are three vital means for establishing "open society". Media thus perform vital tasks of informing, socializing, communicating and articulating the power of the public and preparing them for social transformation and good governance.

“Role of Independent Director in designing and evaluating current governing system in business organizations”

BY

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Abstract:

The collapse of high profile number of large corporations such as Satyam, Enron etc. while performing the governance practices has raised many issues regarding good governance mechanism. The independent directors are one of the important mechanisms for the good governance practices in an organization. In India two third of the companies are family owned and therefore presence of independent directors on the board is very important to protect the rights of minority investors and other stake holders. Independent directors with independent thoughts and action may lead to have a constructive value addition for the firm. Present paper discusses the importance of independent directors on the board. The paper also shows a glimpse of the current picture of corporate structure and corporate governance in India. Though the role of independent director is most important to detect and prevent the unethical practices still it fails to perform their roles in many cases. This paper identifies and explains the drivers on reasons, why independent directors still fail to perform their fiduciary roles in many cases. Finally the article concludes based on the functioning of the independent directors and challenges for having an implementable code of conduct for them. The diverse opinion of the corporate experts, government bodies and industry apex bodies is the need of the hour to make one that is easy to implement.

“A Role of e-Governance for Delivering Government Services to Citizens of Gujarat”

BY

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Abstract:

Several dimension and factors influence the definition of e-Governance. The word “electronic” in the term e-Governance implies technology driven governance. E-Governance is the application of Information and Communication Technology (ICT) for delivering government services, exchange of information communication transactions, integration of various stand-alone systems and services between Government-to-Citizens (G2C), Government-to-Business (G2B), Government-to-Government (G2G) as well as back office processes and interactions within the entire government frame work. Through the e-Governance, the government services will be made available to the citizens in a convenient, efficient and transparent manner. The three main target groups that can be distinguished in governance concepts are Government, citizens and businesses/interest groups. In e-Governance there are no distinct boundaries. Gujarat has been one of the frontline State in the implementation of e-governance policies & projects in India. Independent agencies have rated Gujarat as one of the most e-prepared State in the country. State Govt. has adopted innovative / progressive policies for promotion of e-governance in the State.

Generally four basic models are available- Government to Customer (Citizen), Government to Employees (G2E), Government to Government and Government to Business.

Keywords: *ICT (Information and Communication Technology), G2C (Government-to-Citizen), G2B (Government-to-Business), G2G (Government-to-Government), G2E (Government-to-Employee)*

“Cultural Diversity And Good Governance”

BY

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ABSTRACT:

In the globalizing world, it is civilizations, cultures, peoples and states that are making an increasing impact on one another due to a more active circulation of capital, people and information. Under the conditions of globalization all nations, states and civilizations are actively interacting with each other, rules and norms of functioning of economic and political systems are becoming closer, but any civilization highly values the cultural foundations on which its very identity depends. Incidentally, even in the economic sphere institutions and rules worked out in one civilization can prove to be globally more effective than the ones another civilization has. Culture is a system of values, beliefs, traditions and practices which structures and regulates the behaviour of individuals as well as of groups of human beings; as such, culture influences the lives of individuals and collectives. A Culture helps citizens to lead their lives with freedom and dignity, which, over time, becomes heritage. The cultural heritage of a nation may be seen as possessing a composite and heterogeneous culture, drawing upon diverse traditions. A culture is also represented by its myths, customs, rituals, symbols, traditions, institutions and the manner of communication. As such, it is not uncommon to see different societies differently interpreting, prioritizing and operationalising their vision of a good life, moral values, myths and customs in their respective cultures. Cultural diversity, then, represents various cultural communities' distinct ways of life, beliefs and practices and their views of the world surrounding them. Nowadays, the concept of corporate governance has evolved into a theoretical framework that has reached a certain degree of stability through two basic approaches: the first is a shareholding approach which focuses on the relationship between the managers and the shareholders, and the second is a partnership approach that integrates all the stakeholders in the relationship with the leaders. On the contrary, they have long since developed as interaction in the realms of “high” culture and well-being, as mutual acquaintance, acceptance and exchange of achievements. To achieve sustainable development Strong culture and good governance must take into account for eliminating poverty, creating jobs and sustaining livelihoods, protecting and regenerating the environment, advancing women etc.

“Importance of Ethical Leadership for Sustainability of Good Governance”

BY

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Abstract:

"Real leaders concentrate on doing the right thing, not on doing things right." The study made for Ethical Leadership encourages us to highlight the hidden significance of Ethical Leadership for business improvements in terms of the pace of achieving organizational objectives. By secondary research available, we've conclude that the business can get pace to achieve success if it has ethical leaders in hand. It doesn't mean unethical leaders can't make profit. But, to sustain supreme in the market, require ethics in your business. Thus, the need for Ethics in Management is due to Environmental Pressure, Credibility, Morale Consciousness and legal pressure. This implies that only ethical leaders can make ethical business. Also, if enterprise does some work for development of ethical leaders within the business enterprise then organization can have better ROI and secure maximum market share or reputation. Leaders provide encouragement and support to their followers.

Because of fluctuating business environment, every organization should have leadership development strategy as organization's future depends on them. In fact, Organization must be able to identify the talented individual and create culture of leadership within an enterprise. As per rapid changes in 21st century, Leaders must have to acquire new set of skills, creativity, innovativeness and abilities to survive in an unpredictable environment.

The ancient Indian epic Mahabharata highlights very strongly that the king is especially accountable for the well-being and happiness of the subjects and the prosperity of his kingdom. A bad king would destroy the well-being of all people and the kingdom as well. Napoleon articulated his emotional state about the significance of leadership when he said that he would rather have an army of rabbits led by a lion than an army of lions led by a rabbit. It is largely recognized and accepted by practitioners and researchers that leadership is important, and research supports the notion that leaders do contribute to key organizational outcomes (Day & Lord, 1988). Thus, leadership plays a tremendous role in the organizational growth and has an impact on its success.

Keywords: CSR, Ethical Leadership Model, Ethical, Moral Values, Leadership, Sustainability

“Corporate Governance in Modern banking services: An Exploration”

BY

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Abstract

Good companies can do bad things; Amazing!!! Company structures are value-neutral creations; it is the actions that business takes that have positive or negative impacts. With the current crisis, economies and societies are entering a period of institutional shake up which occurs in initial conditions that are much more disadvantageous to humans than during the crisis of the 1970s. Thousands of depositors, investors and borrowers across the country were taken by surprise when the Reserve Bank of India declared a three-month moratorium on Global Trust Bank, a new-generation private bank, on July 24, 2004. Lehman borrowed significant amounts to fund its investing in the years leading to its bankruptcy in 2008. The wheels have come off at Satyam Computer Services. It created a buzz in media about the corporate governance in India. Shocked the Indian stock market on 7th January 2009, with news that Mr. Raju has resigned after admitting he overstated the strength of the company's balance sheet and misreported the company's profits. In India, Banking and Technology have become synonyms. Good corporate governance ensures sustainability of the company and earns it unrivalled reputation in global market. It is important to note that there should be a tracking system for all transactions. The system in each company's corporate governance structure is, to enable early detection of bad behavior. Waiting for last minute or after effect events is costly both, in terms of; money and life. This research paper would be an attempt to study and found that how the usage of technology has been emerged as strategic tool for good governance in the banking services and also for inclusive growth in India. It would uncover and acquire various prospects, potential strategies that would be spelled through structured and unstructured exploration. The data would reveal expectations of consumers through existing practices, challenges and threats to the global bank managers.

Keywords: Banking , Consumers , Corporate Governance , technology , services ,bankers

“Effective applications of various governing parameters, enhancing performance of educational system”

BY

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Abstract

Inputs and outputs measure the impacts of education investments in developing and transition countries. What we need in the education system are such measures of performance that reflect whether these systems are meeting their objectives; whether appropriate use of public resources is being used made; and whether implementation of the priorities of governments is done.

Good governance can serve as an entry point in raising institutional performance in the delivery of education services. However there are some criteria crucial to high performance: standards, information, incentives and accountability.

Performance indicators with the potential for tracking relative education performance are proposed, and they provide the context for discussing good governance in education. Areas for discussion include budget and resource management, HR, household payments, and perceptions of corruption. In each area, what we do and do not know about effective solutions to enhance good governance and its performance in education is charted out, based on existing research and documented experiences.

Keywords: Good governance, performance enhancement

“A Study of Relationship between Information Technology and Good Governance”

BY

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Abstract:

For developing countries, Technology is considered to be a lever for development. The development of Information Technology (IT) has a wide potential in all aspects of the societal development. Especially, for any developing country, IT has brought an overall change and growth. The developing countries need to focus on 6Cs of IT. E-governance is the effective use of Information & Communication Technology (ICT) to improve the system of governance that is in place, and thus provide better services to the Citizens. ICT has been recognized as the engine for growth and a source of energy for the social and economic empowerment of any country, specially a third world country. Relationship between Information and Communication Technologies (ICT) is coming to be recognized increasingly world over. Today, governments are empowering masses through IT as it can prove to be effective short-cut to higher levels of equity in the emerging Global Digital Networked Information Economy. Framing Information and Communication Technology Strategies and Policies are complex exercises which encompass a variety of issues covering areas such as infrastructure, human challenges, technology, architecture, standards, administrative, information, security, financial, legal, privacy, quality of service etc. The enthusiasm for realizing the potential of ICTs is often dampened by the barriers to successful implementation. This research is an effort to study whether the new information and communication technologies, re-engineering, new dimension can make a significant contribution to the achievement of good governance.

Keywords: Governance, Good Governance, Information and Communication Technologies (ICT), Re-engineering, technology

“Role and Responsibilities of Media for building good Governance”

BY

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Abstract

Good governance is a relatively new term that is often used to describe the desired objective of a nation-state's political development. Good governance entails principles of transparency, accountability and participation.

Good governance in any society can only be achieved with the help of government and non-government institutions. Out of all these institutions media as the mass communicator plays valuable role. And it would not be wrong if I say media as the key “Driver” of good governance.

Media as an important source of public information could be expected to be a vehicle to encourage the promotion of the principles of good governance. Via the media, facts, events and viewpoints can be presented as information to the public.

“Good Governance – The initiative from perspective of sustainability”

By

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Abstract:

E governance applications of ICT in area of governance aim to bring simple, accountable, transparent governance. The aim of this paper is to provide a study of management issues related to adaptation of ICT and e governance. The study is based on survey of government offices, their functions, their processes and people of work. In this paper I tried to explore organizational as well as managerial issues arising from use of technology. Implementation of e governance services and systems in organizations generally pose many challenges those need to be properly addressed. This paper highlights the common challenges faced by government organizations while transforming to e organizations. The major issues are resource management, E- leadership, IT infrastructure, new technology adaptation, right motivation and incentives, training needs, building informative environment, business process re-engineering, capacity building, and create awareness and assess impact of projects.

Key words: E-governance, Management and Organizational issues, Information and communication technology, Challenges and issues, e governance policies , government organizations.

“Innovative reforms in education, development practices in administration and Evaluations”

By

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Abstract

For a country that ranks no 01 on Global Services Location Index year after year, it is natural to assume that the world with all its MNCs will make a path to this place. This ranking translated into a number of corporate giants coming to India and establishing outlets that threw open possibilities that even a Shakespeare would not have the imagination for. The other thing that has been in India's favor is that in spite of global economic slump, India has seen considerable economic stability. However, for sustained growth, India needs skilled labor in sectors that make Indian economy go around such as Services sector. It is this sector that makes more than 60% of the GDP and which absorbs the youth for its various sub-segments. In order to crack the economic puzzle and skills deficit in Indian context, one needs to understand the exact significance of Services sector. While the Services sector requires so many of the skilled youth, the mind numbing stat that paints the whole thing in black is that only 10% of non-technical and 15% of technical graduates are readily employable. It is this sort of unpreparedness that will pull India back from the gates of glory and the aggression with which countries like China are skilling their youth will take them to the top. It must be borne in mind that if we do not do enough China is right on our heels on the Global Services Location Index. Indian economy rests heavily on Services sector and hence, the efforts not only to sustain it but to strengthen it further are required on war footing. These efforts would involve up skilling of the youth. Can education system as it is do it?

The paper proposes to explore how skills development is the key to Services sector in India and what measures are required to be taken in order to initiate and strengthen skills development by integrating it in mainstream education.

Key words: Education, Service sectors, Skills

“Corporate Whistle-blowers’: Roles, Policy, Practice and Ethics”

By

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ABSTRACT

According to a survey report released by KPMG in June 2011, it was submitted that in India about 88 percent of corporate frauds doesn't get reported and it takes longer time to detect occurrence of fraud in the company in India as compared to US or Europe. Not only this, there are few more shocking submissions as well, which suggests that now fraud takes longer to get detected from an average of 2.5 yrs in 2007 to an average of 3.4 years in 2011 analysis. Moreover Fraud goes longer in Asia where it generally takes 5 yrs for the fraud to get exposed and 16 percent of frauds go undetected for 10 years or more.

The paper tries to suggest that for bringing a solution to occurrence of frauds in Indian corporate we have an effective measure to make use of which has been talked about many times i.e. “Empowering the Whistle-blowers” and “Streamlining the reporting mechanism by the whistle-blowers”.

By adopting a doctrinal research the paper tries to bring in focus the important role played by whistle-blowers in the organizational structure, the comparative study of whistle-blowers policy in India with that of other nations which has more effective whistle-blowers policy, the various domestic sources suggested by OECD for empowering whistle-blowers policy and the practice adopted by few of the well known companies in India for protection of whistle-blowers. Along with this, the paper also tries to raise an important issue in relation to “the ethics of Whistle-blowers”, which becomes the most important aspect to examine after observing few incidences taking place in U.S companies as an effect of Dodd-Frank Whistleblower rules in 2011 by U.S. Securities and Exchange Commission.

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