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Human Resource Customisation and Talent Management: An Empirical Study Based On Organizational Commitment, Job Satisfaction and Intention to Quit of Employees Working In Public and Private Sector Organisations

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Abstract

Talent Management is the most challenging task for organisations, as they require talented workforce to compete and sustain in the current globalized environment. Management strategies at different levels have been developed by corporate houses with an intention to recruit, train and retain their talented employees. Utilizing the full potential of talents available is also a major task for human resource departments. One such strategy adopted by the management is the customisation of services. It is a process of providing tailor made work experiences to the employees taking into consideration their skills, competencies and specific requirements. Only few literatures are available to associate the relationship between these two broad concepts. A concrete study signifying the impact of HR customisation on talent management is the need of the hour. This empirical study tries to explore the extent to which organisations customize their HR services and its relationship with the variants of talent management that includes organizational commitment, job satisfaction and intention to quit. The study, descriptive in nature, follows simple random sampling method covering 400 employees from 30 organisations (both private and public sector). The study, in general, reveals a moderate negative relationship between HR customisation (IV) and talent management (DV). The influence of type of organisations on the IV-DV relationship is worth noting where the talents in private sector demands more customisation when compared to their counter parts working in public sector. The study also infers a minimal partial influence of age, experience and perception towards the relationship between IV and DV, with an exemption to age in public sector organisations.

Key Words: Human Resource Customisation, Talent Management, Organizational Commitment, Job Satisfaction, Intention to Quit, Public and Private Sector Organisations

1. Introduction

Employee's vis-à-vis human resources are the key for every organisation in achieving success. In today's competitive world, management of human resources becomes very dynamic and challenging. The importance of human resource management is within the belief that only people, among other resources, have the capacity to generate value (Bratton & Gold, 2009). The success of human resource department is in generating value ahead of its competitors, utilizing the human assets. Human Resource Management (HRM) has seen various transitions from its initial concept of industrial welfare to the recently evolved strategic

human resource management, human capital management and talent management. Organization's transition from a traditional industrial phase to the technologically advanced, change sensitive knowledge phase, has made different changes in the approach of human resource management. Organisations, in the current globalized environment, find difficult to sustain and compete without well trained, motivated and talented employees. According to Jack Welch, former GE's chairman, the only way to get more productivity is by getting people involved and excited about their jobs (Stewart, 1991). When an organization hires an employee with diversified skills and competencies,

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there must also be a mechanism to manage them. Talent management thus becomes the most challenging function of a Human Resource Department. In order to utilize the full potential of talented people, appropriate management strategies also have to be generated. It is said that, 'having talented individuals on the payroll is one thing, leveraging their capabilities to secure competitive advantage is another' (Lawler, 2009). One significant aspect of talent management is that the talented employees demand value propositions that are difficult to generalize. As they are people with specialized knowledge, their need will be unique and to a certain extent novel. To satisfy these diversified requirements, organisations have recently adopted the strategy of customizing the services provided. Carefully designed packages for each employee or group of employees would ensure their economic, social and behavioral requirements. Appropriate design of different schemes and their fair administration impose various challenges for the human resource (HR) professionals during the process of HR customisation. Employee's perception regarding customisation of their services in lieu of different equity principles adds oil to the fire making the process more complicated. Here comes the importance of a study to understand the extent of customisation offered by different organisations to their talented workforce and its impact on talent management.

2. Literature Review

2.1 Talent Management

The shift from commodity based economy to knowledge based economy during 21st century enriched the role of human resources in organizations to a greater extent. The key indicator of competitive organisations currently is the knowledge workers or talents available with them. They are becoming more scarce, and hence highly demandable (Frank & Taylor, 2004). Generally, the word talent in business context means the performance of individuals which in turn contribute to organizational performance (Lewis & Heckman, 2006). In other words, any employee that an organisation considers as an asset for adding value to its process can be placed under the broad definition of

talent. Even though there exists different definitions for talents, Buckingham & Clifton refer it as a 'natural recurring pattern of thought, feeling or behavior that can be productively applied' (Buckingham & Clifton, 2001). The Chartered Institute of Personal Development defines talent as 'those individuals with high potential who are of particular value to an organization' (CIPD, 2006)

Different scholastic studies have been conducted relating talent's to different business prospects. A major study conducted endorsed the relationship between employability and organizational success, where employability is taken on a broader perspective of talent (Nilsson & Ellstrom, 2011). The survey of PricewaterhouseCoopers (PwC) indicating the concern of CEO's of talent shortage affecting organizational growth (PricewaterhouseCoopers, 2011) is another indicator of impending role of talents in a firm's functioning. The survey also emphasize on the cost incurred due to low productivity, and employee retention associated with talent turnover. Studies indicate that the availability of talents in organisations have come down drastically resulting in increased competition between firms for talents (Canon & McGee, 2011). Ultimately, competitive advantage that is crucial for an organization's success is the result of better performance from an employee who is selected, placed and trained carefully, considering the strategic objectives of an organization (Tarique & Schuler, 2010).

The importance of management of talents comes at this juncture, which is yet another challenging task for any workplace. The challenge is not only in managing individual talents, but also in group based performance and management. Even with limited research (Burbach & Royle, 2010) in this area, this concept has been on the prime light of competitive firms. The concept also gained popularity, as the firms started focusing on it on a wider spectrum. Organisations endorse that, talent management is the most valuable asset for facing competitions globally (Cappelli, 2008). Many of them place the concept of talent management at top priority considering its importance and implications (Fegley, 2006). An important study conducted by the Hackett

Group found that, companies who manage talents effectively get earnings that are 15 percent higher than peers (Teng, 2007). Another study conducted by IBM found higher percentage of financial outperformers in organisations where there were effective management of talents (IBM, 2008).

The scope of talent management cannot be limited by setting boundaries (Collings & Mellahi, 2009) and is linked with all major HR functions and Human Resource Development (HRD) practices (Lewis & Heckman, 2006). Talent management is closely linked with strategic human resource planning as well as strategic human resource management (Brown and Hesketh, 2004). The primary challenge with respect to talent management is their recruitment. In fact, the significance of talent management came to the limelight through the study conducted by McKinsey's, which identified recruitment as the most important concern for organisations (Chambers et.al, 1997). Different organisations adopt different strategies for selecting talented workforce with the aim of achieving efficiency, which means, getting the most out of a given input (Okun, 1975). In short, quoting Bryan et al and other authors, it is a process of identifying talents for placing right people in the right place (Bryan et.al, 2006). To become an employer of choice is a difficult and challenging task, and every organisation needs to think of branding their recruitment program (Carey, 2007) in order to catch the attention of talents. Redesigning recruitment strategies an adding it to the strategic plan, timely performance reviews, annual management training and tracking of turnover rates (Miller et.al, 2001) are a few parameters that organisations consider to become employers of choice. As said by Marc Burrage, Executive General Manager, Hudson, a business organisation in a competitive market should be aware of their unique offering to the employee, so that talents are attracted (Executive recruitment, 2011). A good example of effective sourcing of talents through effective restructuring and standardizing of the talent sourcing mechanism came from DuPont (Cseres & Kelly, 2006). Recently evolved social networking platforms and usage

of most modern communication devices eases organisations in identifying and selecting talents, even though these have made the process more competent and challenging.

Howsoever, attracting talents is not just enough to make it to the advantage of the organisation. Development and retention of these talents are equally or more important for organisations to gain competitive advantage. In certain situations, it will be more difficult to train and retain them than sourcing. In fact, organisations consider retention of talents as the most important criteria for staying ahead of their competitors (Serendi, 2015). Studies say that, workers did lesser work when they were forced on it compared with works they were interested to do (Doherty, 2009). The hopping of talents from organisations, which uses knowledge for achieving its strategic objectives, seriously affects the knowledge management initiatives. In a place where knowledge is considered as the most valuable asset, the implications of the turnover will be very high. It is not only the knowledge loss that the organisation faces, but also huge financial implications where a firm loss nearly \$1 million for every professional employee leaving (Fitz-enz, 1997).

Talent management has been put under different perspectives that includes cultural (Creelman, 2004; Wilska, 2014), process, development (Wilcox, 2005), competitive (Woodruffe, 2003), human resource planning (Mucha, 2004), and change (Lawler, 2008). Organizational culture is also considered by the employees as the most important factor while choosing a workplace (Bersin, 2015). As per the survey conducted by strategic human resource management, 86 percent of big organisations have separate talent management initiatives, and 53 percent of ordinary workplaces follows programs focusing on talent management (SHRM, 2006). Human resource department plays a key role in the development and management of talents in an organization. In fact, the human resource departments are now been elevated to a strategic role in most of the organisations (Alvesson & Karreman, 2007). Attracting and retaining talents is now considered as one of the major subjects for any HR team

across the globe (Hiltrop, 1999). Talent management has been identified as one of the five most important challenges for HR by Boston Consulting Group (Boston Consulting Group, 2007). Strategies like HR Customisation gain importance at this point for effective management of talents.

2.1 HR Customisation and Talent management

The role of effective people management in creating sustainable competitive advantage to organizations has been undoubtedly proved by various studies (Pfeffer, 1994; Prahalad, 1983). Studies also give more emphasis to human capital compared with physical capital for enhancing organizational performance (Reich, 1991). As a result of rapid growth of organisations and impending competitions, strategic planning of HR functions and services becomes inevitable for talent acquisition, management and retention. There are enough evidences to state the importance of effective human resources management strategies for better performance (Guest, 1997, Huselid, 1995, Wood, 1999, Bae and Lawler, 2000). Even though a few studies stand contrary to innovations in HR (Brown, 2003), different HR houses of big corporates have come up with innovative plans and procedures to manage the challenge. A study conducted among small and medium sized enterprises in China reveals the association between adoption of innovative human resource practices with human resource outcomes and the performance of the firm. The Chinese have adopted different HR innovations like free market selection and recruitment, incentive rewards, performance evaluation and promotion, training and development, worker participation in the decision-making process and industrial relations over a period of time (Zheng et al., 2009). Several such studies have been conducted where a very recent study states that innovative HR strategies helped in improving the participation of HR professionals in the strategic planning process of an organization. The study also states that innovation in HR practices is a byproduct of effective human resource management policies followed by the respective organisations (Platonova et al., 2013).

Different from innovations in HR, customisation is all about creating uniqueness in the practices followed by organisations. It is a strategy that has evolved over a period of time, and followed by many organisations in management of talent. In fact, the Contingency approach of HR focuses on customizing various practices in order to align it with the strategy of the firm (Baird & Meshoulam, 1988; Delery & Doty, 1996). Referring to Oxford dictionary, customize means to modify (something) to suit a particular individual or task. Thus HR customisation is referred to the design of various HR policies in a customized fashion, suitable for each employee or group of employees considering their talent and contribution in bringing competitiveness to the firm. According to Kontoghiorghes, competitiveness will ultimately depend on the capability to configure people, and design a system for optimal execution of strategy (Kontoghiorghes, 2003). There are several studies that endorse positive correlation between organizational performance and individual HR practices (Huselid, 1995; Kochan & Osterman, 1994; Osterman, 1994; Russell, Terborg & Powers, 1985).

Studies say that customisation applied to products and services would add more value to it from the perspective of the customers (Peteraf & Barney, 2003). Similarly, different people in an organization encompass different skills, aspirations and value for reward. Hence, the concept of customizing the HR practices becomes significant. It is now considered as a recently evolved phenomenon for effective talent management in workplaces. Segmenting the workforce, offering multiple choices, establishing simple and broad rules, employee defined customisation, are all examples of different customisation models established by different organisations (Smith & Cantrell, 2011). Studies have positively established the role of HR systems focusing towards enhancing HR Capital, designed for the purpose of developing talented work force, in enhancing employee performance (Youndt et al., 1996). A typical example of the effectiveness of customisation would be the mass career customisation model, first implemented at Deloitte during 2005. The model resulted in improved career life fit, better retention and more

engagements of talents in various projects (Benko & Weisberg, 2007). Another interesting study conducted involving in-depth interviews with employees and executives of 100 top organisations in US clearly states that customizing the work experience will improve motivation level of employees (Smith & Cantrell, 2011). Different organisations like Microsoft, PepsiCo and more have created a customizable atmosphere to their employees. There are many more to customize their services. A survey conducted in this area gives a statistics of only 33 employees out of 557 surveyed (6 percent) endorsing customization of HR practices provided to them (Smith & Cantrell, 2015). The advantages of application of HR customisation for management of talents need more scientific evidence and endorsement. The future of organizations will be that of talents. A new culture will evolve where the entire work responsibilities will be fulfilled by the duo; the talents and technology. It is also very evident that talents, being very specialized group of people, are habituated towards personalized demands. The challenge of motivating and retaining them in the workplace through customized offerings is bestowed upon the management. The replacement costs of talents are also innumerable high. Hence, organizations worldwide are now considering talent management as a critical competitive tool (Beechler & Woodward, 2009). At this juncture, a study to understand the implication of HR customisation on management of talents becomes very much pertinent. The tough nut to crack here is the identification of variables of talent management, selection of appropriate model for measurement of talent management and assessment of the extent of HR customisation provided by different organisations.

3. Methodology

3.1 Research Design and theoretical framework

The study takes the form of descriptive research, and is quantitative in nature. The Theoretical framework for the study portrays HR customisation as independent variable and talent management as dependent variable, and tries to explore the association between the two. Measuring the level of HR customisation provided by organisations and

its influence on management of talents has become very challenging with very few abstract models available. Different organisations have taken different views regarding this aspect considering different parameters to judge their effectiveness in HR customisation and talent management. Talent Management (IV) is considered here as a multidimensional construct with organizational commitment, job satisfaction and intention to quit as its variants.

There are various tested models available for measuring the effectiveness of talent management. Retention of talents, hiring, diversity and bench strength (Antonucci, 2005) are the factors included in one model. Another study conducted in this area identified job satisfaction, affective commitment and intentions to quit as the criteria for measuring talent management (Oehley & Theron, 2010). The study with reasonably good model fit provides information on the relationship between different talent management competencies. The factors identified and tested by Oehley & Theron is considered for this study for measuring the effectiveness of talent management. Even though the researchers, for developing the structural model, used organizational commitment and job satisfaction as intervening variables influencing the intention of a talent to quit, this study considers all three variables (organizational commitment, job satisfaction and intention to quit) for measuring the effectiveness of talent management. Also, when the study gives more emphasis for affective commitment, this study considers both affective and continuance commitment for measuring the effectiveness of talent management. A strong relationship has also been established between organizational commitment, job satisfaction and turnover (Tett & Meyer, 1993). There are numerous studies that relates job satisfaction with commitment (Porter et al., 1974; Williams & Hazer, 1986; Riordan & Griffeth, 1995) and job satisfaction and commitment with intention to leave (Porter et al., 1974; Angle & Perry, 1981; Stumpf & Hartman, 1984; Blau & Boal, 1989; Cohen, 1993; Cohen & Hudecek, 1993; Hackett & Lapierre, 2001; Hian & El'fred, 2004). Studies also have categorically established

that job satisfaction will lead to organization commitment which will impact on intentions to leave the organization (Morrison, 2004). Higher levels of job satisfaction have been strongly linked to greater intentions to remain in a firm in the organizational behavior literature (Porter & Steers, 1973; Arnold and Feldman, 1982). The only disagreement that exists between the relationship between job satisfaction and commitment is regarding the causal ordering, as few studies relates satisfaction as the precursor of commitment (Williams and Hazer, 1986) and few other studies relates commitment as precursor of satisfaction (Bateman and Strasser, 1984). From a variety of tools available for measuring HR customisation, the one developed by Smith & Cantrell was used for the study (Smith & Cantrell, 2011). HR customisation is measured based on four factors i.e. offering multiple choices, factors segmenting the workforce, establishing simple and broad rules and employee defined customisation.

3.2 Hypothesis

The following hypothesis were formulated for the study based on the objectives.

- H1: HR Customisation is having significant relationship with management of talent in organisations
- H2: HR Customisation is having significant relationship with management of talent in private organisations
- H3: HR Customisation is having significant relationship with management of talent in public organisations
- H4: HR Customisation is having significant relationship with management of talent in organisations when controlled with age
- H5: HR Customisation is having significant relationship with management of talent in private organisations when controlled with age
- H6: HR Customisation is having significant relationship with management of talent in public organisations when controlled with age
- H7: HR Customisation is having significant relationship with management of talent in organisations when controlled with experience
- H8: HR Customisation is having significant relationship with management of talent in private organisations when controlled with experience
- H9: HR Customisation is having significant relationship with management of talent in public organisations when controlled with experience

3.3 Sampling and data collection

The target population considering the objective of the study is permanent executive cadre employees working in both public and private sector organisations in the State of Kerala. The study specifically intended to explore the influence of moderate variable (type of organization) on the relationship between independent variable and dependent variable. There are several empirical research studies that question the applicability of strategic concepts in public sector, as they were primarily designed for private sector organisations (Alford 2001). Significant differences have been noted by researchers on the various parameters of strategic models (content and process) and its relevance in different sectors (Alford, 2001; Boyne and Walker, 2004; Andrews et al., 2009; Vining, 2016). Studies have established significant differences among public and private sectors organizations on various HR functions like compensation, training and development (Budhwar & Boyne, 2004), extrinsic factors of motivation (Maidani, 1991), employees selection, grievance procedures, growth, pay for performance (Harel & Tzafirir, 2001), absenteeism, (Vandenheuvel, 1994), union density (Fiorito et al., 1996), quality circles (SeJeong, 1991) and recruitment strategies (Sziraczki and Windell, 1995). Further, the detailed study conducted by Rainey (1979, 1983, 1991), emphasized that both public and private sectors are distinctively different in terms of organizational structure, roles and processes. Thirty organizations were identified by the researcher, fifteen each from both sectors considering factors like availability of talent, level of HR customization programs and readiness to participate in the study. The sample size for the study was estimated to be four hundred ensuring 95 percent confidence level and 5 percent of allowable error.

A simple random sampling method was used to identify the sample element from each organization. The sample element was identified from their nominal roll using lottery method. Data was collected using standardized questionnaires having high reliability scores. The tool developed by Mowday et al., (1979), Paul Spector (1994) and Cohen (1993) was used to measure organizational commitment (coefficient α ranging from 0.82 to 0.93), job satisfaction (coefficient α .70) and intention to quit (coefficient α .91) respectively. HR customization was measured using the instrument developed by Smith & Cantrell (2011). Data collected using paper pencil test was field edited to avoid errors and blank responses. There were no significant outliers in the data collected. A detailed description regarding the available instruments and the ones used for data collection is provided below.

3.4 Tools used for measuring variables

Separate validated tools were used for measuring organizational commitment, job satisfaction and intention to quit. The overall score of all the three factors was used for measuring the effectiveness of management of talents in a particular organisation. For more understanding, all the three variables, their theoretical perspectives and tools used are detailed below.

Employee commitment which is the loyalty, identification and desire for involvement within an organization (Lambert, 2004), is one aspect where many number of studies have been conducted. It is the relative strength of an individual's identification and involvement in an organization (Levey, 2003). There are several studies that have related commitment with job involvement (Robinson, et.al., 1992), supportive and innovative cultures, consideration leadership style (Lok & Crawford, 2004), perceived organizational support (O'Driscoll & Randall, 1999) and job characteristic variables such as work position, tenure, supervisory status, job variety, job autonomy and job satisfaction (Lambert 2004). This study used the organizational commitment questionnaire (OCQ) (Mowday et al., 1979) for measuring organizational commitment. The questionnaire measures the degree of employee's commitment to their current organization. The

organizational commitment questionnaire (OCQ) have a consistently high coefficient α , ranging from 0.82 to 0.93, based on a series of studies. The OCQ evaluates affective commitment and continuance commitment, the two dimensions of organizational commitment using 15 items. Of the 15 items, 9 items (1, 2, 4, 5, 6, 8, 10, 13, and 14) are used to measure affective commitment and the rest 6 items (3, 7, 9, 11, 12, and 15) are used to measure continuance commitment. A 5-point scale ranging from 1 (strongly disagree) to 5 (strongly agree) was employed in this study.

Job Satisfaction is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs (Spector, 1994). It is one variable that has got strong association with different other factors determining organizational success. Various studies have strongly related job satisfaction with different work related and general outcomes. Performance, motivation, attitudinal commitment, organizational citizenship behavior, life satisfaction, organizational commitment, self-esteem, absenteeism, lateness, and turnover are a few factors that relates strongly with job satisfaction (Fisher, 2003; Judge, et al., 2001; Moorman, 1993; Grant, 2008; Meyer et.al, 2002; Johns, 2001; Parker et al., 2001; Warr, 1999, Alavi & Askaripur, 2003). Studies were also conducted to establish relationship of job satisfaction with interest, emotional adjustment, social status, religion, fatigue, age, and other factors (Hoppock, 1935). Job satisfaction has been proved as a strong predictor of organizational behavior, in-role behaviors (Williams and Anderson, 1991) and ethical culture constructs (Hian and 'Elfred, 2004). Different approaches like the dispositional, situational and interactionist approach (Arvey et al., 1991; Judge et al., 2001), and different models like job characteristics model (Hackman & Lawler, 1971) and job demands-control-support model (Karasek & Theorell, 1990) are prominently used for studying job satisfaction. For measuring job satisfaction, the instrument developed and validated by Paul Spector was used (Spector, 1994). The instrument has got an internal consistency rate of .70 through repeated investigation out of a sample of 3067 individuals (Spector, 1994). The instrument has also proved its validity when

compared with other scales used for measuring job satisfaction. The tool consists of 36 statements rated by the respondent on a five point scale (1 for disagree very much and 5 for agree very much). The 36 statements are based on nine attributes like pay, fringe benefits, supervision, contingent rewards, promotion, nature of work, operating procedures, communication and co-workers. The nine subscales related moderately to well between each other on internal consistency with a score of .60 for coworker and .91 for the total scale. The instrument produces a total score based on the average score of all the ratings and the higher the score indicates greater job satisfaction.

An employee's conscious and deliberate wish to leave the organization is termed as his intention to quit (Tett and Meyer, 1993). It is a forerunner of actually quitting a job (Mobley et al., 1978). Hence, for predicting actual turnover, the turnover intentions of an employee can be considered to a great extent (Arnold and Feldman, 1982; Bullen and Flamholtz, 1985). In fact, intention to quit can be considered as the most immediate determinant of actual behavior (Firth, et al., 2003). Studies say that, affective commitment appears to be the strongest predictor of turnover intention (Bagraim, 2003). Several studies have also related intention to quit with other important factors like job satisfaction (Knight, et.al, 2006), commitment (Porter et al., 1974), work stress (Khan & Ali, 2003), perceived support (Kahumuza & Schlechter, 2008) and social support from the supervisor (Firth et.al, 2003). There exist a wide range of measurement scales for measuring the variable; intention to quit. Majority of the scales have no more than three items to measure the variable. The scales developed by Podsakoff, LePine & LePine (2007), Hunt, Osborn and Martin (1981), Bagraim (2003), Firth et al (2003), Jawahar & Hemmas (2006) and Cohen (1993) are a few. For this study the scale developed by Cohen (1993) was used. The scale when tested for its reliability in various studies (Boshoff et al., 2002; Schlechter, 2006) got an alpha reliability score of .91. The items included in the scale is rated by the respondent on a seven point scale ranging from 1 (disagree very much) to 7 (agree very much).

HR Customisation was measured by using the tool developed by Smith & Cantrell (2011). After administering the tool, the employees were asked to measure the extent of customisation provided by the organization. This was done by recording the applicability of each factor from among four factors in their respective organization. The factors includes: offering multiple choices, factors segmenting the workforce, establishing simple and broad rules and employee defined customisation. After receiving the score, organisations were divided into four categories. The workplaces which have got all the four factors of HR customisation were considered as level 1 organization; which have got any of the three factors with respect to HR customisation were considered as level 2 organization; which have got any of the two factors with respect to HR customisation were considered as level 3 organization; and organisations which have got at least one of the four factors of HR customisation were considered as level 4 organisations. The other workplaces which do not have any of the four factors of HR customisation programs were considered as organizations that do not promote HR customisation. The above mentioned factors were measured using a single item scale with seven response categories from below average (1), through average (4) to above average (7). The organisations which fall in each levels were also categorized using the seven point scale for better understanding.

4. Analysis and Interpretation

The study was conducted among executive cadre employees in both public and private sector organizations. Two hundred respondents were surveyed and the mean age of the respondents were 34.48 years with a minimum age of 21 and a maximum of 58. There were 93 B. Tech degree holders (23.2 percent), 50 M. Tech degree holders (12.5 percent), 47 Post graduates in Arts (11.8 percent), 192 MBA degree holders (48 percent) and 18 MS degree holders (4.5 percent) in the survey. 58.8 percent of the respondents were male and 41.3 percent female. The mean experience of the respondents were 9.41 years where 42.5 percent (170 employees) had experience between 1 to 5 years, 27 percent (108 employees) had experience between

6-10 years, 14.8 percent (59 employees) had experience between 11-15 years, 6.3 percent (25 employees) had experience between 16-20 years, 3.3 percent (13 employees) had experience between 21-25 years and 6.3

percent (25 employees) had experience between 26-30 years. The minimum years of experience of the respondent's was 1 year and maximum was 30 years (Table.1).

Table 1: Demographics

Variable	Particulars	Frequency	Percentage	Mean	Standard Deviation	Min	Max
Type of Organisation	Public Sector	200	50.0				
	Private Sector	200	50.0				
Experience	1-5 Years	170	42.5	9.41	7.303	1	30
	6-10 Years	108	27.0				
	11-15 Years	59	14.8				
	16-20 Years	25	6.3				
	21-25 Years	13	3.3				
	26-30 Years	25	6.3				
Gender	Male	235	58.8				
	Female	165	41.3				
Educational Qualification	B.Tech	93	23.2				
	M.Tech	50	12.5				
	MA	47	11.8				
	MBA	192	48.0				
	MS	18	4.5				
Age	21-30	162	40.5	34.48	9.697	21	58
	31-40	164	41.0				
	41-50	18	4.5				
	51-60	56	14.0				

Source: Primary Data

As shown in Table 2, organisations with high HR customisation practices are negatively correlated to talent management and its variants like organizational commitment, job satisfaction and intention to continue with the workplace. HR customisation practices are related with talent management significantly with an r value of -

.482 (P<.05) and organizational commitment with an r value of -.467 (P<.05). The relationship of HR customisation practices with job satisfaction is having only a minimal correlation with an r value of -.198 (P<.05). Intention to quit being a negative variable, positive correlation (r = .450, P<.05) indicates a negative trend of

less intention to continue with the same organisation. Data also shows that, organizational commitment and intention to quit has got more impact than job satisfaction when influenced by the variable HR customisation. Further, to find out the influence exerted by moderate variables (public sector organisations and private sector organizations), separate analysis was done with HR customisation practices adopted by organizations and its type.

Contrary to the above mentioned finding, when private organizations were taken separately and analyzed, data shows (Table 2) that HR customisation practices are having positive correlation with talent management and its variants. Talent management is correlated with HR customisation practices with an r value of .352 (P<.05). Organizational commitment and job satisfaction also gives a positive trend but with minimal r value of .134 and .169 (P>.05), respectively. Considering intention to quit, r value shows a moderate correlation value of -.354 (P<.05), which says that employees are willing to stay in the organisation when experienced with more HR customisation practices. To explore further regarding the influencing factors in obtaining negative correlated value in the initial analysis, public sector organizations were taken and analyzed

When the IV-DV relationships were analyzed with specific reference to public sector organisations, it was very clear that HR customisation practices are negatively affecting the talent management system of the work place. The more HR customisation practices provided, the less number of employees are committed and satisfied, and also express more intention to quit the organization. HR customisation is having low negative correlation with talent management (r= -.177, P<.05) and its variant job satisfaction (r= -.194, P<.05), and moderate negative correlation with organization commitment (r= -.370, P<.05). Even though intention to quit also shows a negative correlation, it is not considered as statistically significant (r= -.096, P>.05) (Table. 2). Based on the analysis of data, the first hypothesis (H1); HR Customisation is having significant relationship with management of talent in organisations, and the second hypothesis (H2); HR Customisation is having significant relationship with management of talent in private organisations are accepted. The third hypothesis (H3); HR Customisation is having significant relationship with management of talent in public organisations is not accepted even though data reveals a moderate negative correlation among factors like organizational commitment.

Table 2: HR Customisation and Talent Management

		HR Customisation	Talent Management	Organizational Commitment	Job Satisfaction	Intention to Quit
HR Customisation	Pearson Correlation	1	-.482**	-.467**	-.198**	.450**
	Sig. (2-tailed)		.000	.000	.004	.000
	N	400	400	400	400	400
HR Customisation in Private Organization	Pearson Correlation	1	.352**	.134	.169	-.354**
	Sig. (2-tailed)		.000	.059	.065	.000
	N	200	200	200	200	200
HR Customisation in Public Organization	Pearson Correlation	1	-.177**	-.370**	-.194**	-.096**
	Sig. (2-tailed)		.012	.000	.006	.178
	N	200	200	200	200	200

Source: Primary Data

Simple linear regression analysis was done (Table. 3) to understand the influence of HR customisation practices (x) on talent management (y). The R² value of HR customisation practices and talent management of organisations is .232. When private and public organisations were considered, the R² value comes to .124 and .031 respectively. The model establishes statistical

significance with an F value of 120.565 (P<.05) for HR customisation practices and talent management of organisations, and with an F value of 28.046 (P<.05) and 6.370 (P<.05) for private and public organisations respectively. The b₀ value of x on y in general comes to 4.551. For private organisations, b₀ value of x on y comes to 2.971, and for public organisations, the b₀ value is 4.608.

Table 3: HR Customisation and Talent Management

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
HR Customisation and Talent Management	.482 ^a	.232	.231	.53031	120.565	.000 ^b
HR Customisation and Talent Management in Private Organization	.352 ^a	.124	.120	.40589	28.046	.000 ^b
HR Customisation and Talent Management in Public Organization	.177	.031	.026	.20686	6.370	.012 ^b

a. Predictors: (Constant), HRC Sum Total)

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
HR Customisation and Talent Management	(Constant)	4.551	.051	-.482	88.479	.000
	HRC Sum Total	-.201	.018		-10.980	.000
HR Customisation and Talent Management in Private Organization	(Constant)	2.971	.116	.352	25.574	.000
	HRC Sum Total	.179	.034		5.296	.000
HR Customisation and Talent Management in Public Organization	(Constant)	4.608	.022	-.177	210.210	.000
	HRC Sum Total	-.028	.011		-2.524	.012

Source: Primary Data

Table. 4 explains the result of analysis done to understand the influence of experience on the IV-DV relationship. Data indicates that there is only a minimal partial influence of the control variable. The values of partial correlation are -.444 (r(HR customisation, talent management/experience)), -.431 (r(HR customisation, organizational commitment /experience)), -.143 (r(HR customisation, job satisfaction /experience)) , .413 (r(HR customisation, intention to quit/experience)), where the values of simple correlation are -.482, -.467, -.198 and .450 respectively. The same is true when data of private and public organisations were taken separately, where the values of partial correlation with experience as control variable in private organisations are .357 (r(HR customisation, talent management/experience)), .133 (r(HR customisation, organizational commitment /experience)), .168 (r(HR Customisation, job satisfaction /experience)) , -.354 (r(HR customisation, Intention to Quit /experience)), and the values of simple correlation

are -.352, -.134, -.169 and -.354 respectively. In public organisations also, partial influence of control variable reflected with a value of .159 (r(HR customisation, talent management/experience)), -.363 (r(HR customisation, organizational commitment /experience)), -.177 (r(HR customisation, job satisfaction /experience)) , -.113 (r(HR customisation, intention to quit/experience)), against the values of simple correlation of -.177, -.370, -.194 and -.096 respectively. With respect to the influence of experience on the relationship between HR customisation and talent management, the hypothesis H7, H8 and H9: HR customisation is having significant relationship with management of talent in organisations when controlled with experience, HR Customisation is having significant relationship with management of talent in private organisations when controlled with experience, and HR Customisation is having significant relationship with management of talent in public organisations when controlled with experience, are not accepted.

Table 4: HR Customisation and Talent Management with experience as control variable

Control Variable: Experience						
		HR Customisation	Talent Management	Organizational Commitment	Job Satisfaction	Intention to Quit
HR Customisation	Pearson Correlation	1	-.444	-.431	-.143	.413
	Sig. (2-tailed)		.000	.000	.004	.000
	N	400	400	400	400	400
HR Customisation in Private Organization	Pearson Correlation	1	.357	.133	.168	-.354
	Sig. (2-tailed)		.000	.000	.000	.000
	N	200	200	200	200	200
HR Customisation in Public Organization	Pearson Correlation	1	.159	.363	.177	-.113
	Sig. (2-tailed)		.025	.000	.012	.111
	N	200	200	200	200	200

Source: Primary Data

The influence of age on IV-DV relationship is explained in table. 5. Data shows that age has a minimal partial influence on the relationship with an r value of -.319 (r(HR customisation, talent management/age)), -.265 (r(HR customisation, organizational commitment /age)), -.122 (r(HR customisation, job satisfaction /age)) and .300 (r(HR customisation, intention to quit/age)), against the simple correlation value of -.482, -.467, -.198 and .450 respectively. For private organizations, the r value of partial correlation (r(X,Y/Z) comes to .402, .214, .230 and -.366, and simple correlation for the variables comes to -.352, -.134, -.169 and -.354 respectively. Public organisations exclusively gives a significant partial correlation value (r(X,Y/Z) of .582, -.329, .196 and -.124,

against simple correlation value of -.177, -.370, -.194 and -.096 respectively, indicating strong influence of age in the relationship between HR customisation and talent management. The hypothesis (H4); HR customisation is having significant relationship with management of talent in organisations when controlled with age, and hypothesis (H5); HR customisation is having significant relationship with management of talent in private organisations when controlled with age, are not accepted after considering the data obtained. The hypothesis (H6); HR customisation is having significant relationship with management of talent in public organisations when controlled with age is accepted.

Table 5: HR Customisation and Talent Management with age as control variable

Control Variable: Age						
		HR Customisation	Talent Management	Organizational Commitment	Job Satisfaction	Intention to Quit
HR Customisation	Pearson	1	-.319	-.265	-.122	.300
	Correlation		.000	.000	.015	.000
	Sig. (2-tailed)					
	N	400	400	400	400	400
HR Customisation in Private Organization	Pearson	1	.402	.214	.230	-.366
	Correlation		.000	.002	.001	.000
	Sig. (2-tailed)					
	N	200	200	200	200	200
HR Customisation in Public Organization	Pearson	1	.582	.329	.196	-.124
	Correlation		.000	.000	.006	.082
	Sig. (2-tailed)					
	N	200	200	200	200	200

Source: Primary Data

To further explore the influence of experience and age, employee rating on human resource customisation practices based on their perception was considered and correlated (Table. 6). The analysis gives the same trend with a minimal to no correlation with various factors. The r

value of experience and employee perception on HR customisation practices in general and specifically to public organizations, and r value of age and employee perception on HR customisation practices in public organisations, shows no correlations with values of .078 (P>.05), .136

($P > .05$) and $-.133$ ($P > .05$) respectively. For other variables like experience and employee perception on HR customisation practices in private organizations, and age and employee perception on HR customisation practices

in general and for private organisations, a minimal r value of $.169$ ($P < .05$), $-.169$ ($P < .05$) and $.257$ ($P < .05$) is obtained respectively.

Table 6: Employee perception on HR Customisation practices

		Experience	Age
Employee perception on HR customisation practices	Pearson Correlation Sig. (2-tailed) N	-.078 .120 400	-.169** .001 400
Employee perception on HR customisation practices in Private Organization	Pearson Correlation Sig. (2-tailed) N	-.169* .018 200	-.25 .000 200
Employee perception on HR customisation practices in Public Organization	Pearson Correlation Sig. (2-tailed) N	-.136 .054 200	-.133 .061 200

Source: Primary Data

5. Conclusions

The objective of the study conducted was to explore the strength of the relationship between HR customisation practices followed in public & private sector organisations and talent management. The latent variable, talent management, was inferred through three observed variables, i.e. organizational commitment, job satisfaction and intention to quit. The study brings out an important observation regarding the relationship between variables. The general analysis of IV-DV relationship reveals a moderate negative relationship ($-.482$ ($P < .05$)), emphasizing the point that the employees do not prefer HR customisation practices in their workplace, and are oriented towards general policies and approaches related to human resource management. Further, the analysis on the influence of the type of

organization on the IV-DV relationship made the inference more clear. Employees working with public sector organisations are those who stand against the concept of HR customization ($r = -.177$, $P < .05$). The employees working with private organisations, on the other hand, prefer their HR practices to be more customized ($.352$ ($P < .05$)), and also makes clear that they have more intention to stay in the workplace if provided with customized HR ($.354$ ($P < .05$)). The study also tried to understand the influence of age (r (HR customisation, talent management/age = $-.319$) and experience (r (HR customisation, talent management/experience = $-.444$) on the IV-DV relationship, which shows an ignorable minimal partial influence with an exemption to the influence of age on IV-DV relationship of public sector

organisations (.582 ($P < .05$)). The employee ratings of HR customisation practices based on their perception is also least correlated with age ($r = .257^{**}$ and $r = -.133$) and experience ($r = .169^{*}$ and $r = .136$) for both private and public sector organisations, thereby reinforcing the above finding. Based on the study, the following practical implications are inferred. Private organizations are required to focus more on the HR customisation aspects, especially in the succeeding decade where competition becomes more severe. The adversities of implementing diverse policies and programs for employees need to be addressed. The major challenge for the HR executives in future will be in formulating unique HR customisation policies. Employees working in public sector organisations and not favoring HR customisation is going to be a short lived phenomenon. The future of HR management, irrespective of it being in public sector or

private sector, is going to be the era of talents and the complexities involved in their management. Necessary changes are to be brought in the cultural aspects of the organisation for accommodating the talent management initiatives. As the study rightly indicates, even age and experience will not matter for the upsurging demands from the talents for customized HR practices. The study further opens up possibilities of doing research on cultural and geographical influences, professions, leadership styles and personality types, and its impact on the IV-DV relationship. It is quite possible that organizational characteristics and behavioral determinants affect this relationship as well. Accordingly, empirical research studies are to be designed in order to gain further insights on how HR customisation practices can be utilized for effective talent management across various sectors.

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Capabilities Of Decision Making : Among Women in the Working Poor Population

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Abstract

An important concern regarding the gap that remains in the social security provisioning system is, whether it is because of institutional failure or the very knowledge of social security provisioning is enforcing an essentialist standpoint. In theoretical tone, is it only the archaeology of knowledge that determines the way we understand 'women' and their relation with paid work and social security provisions or the kind of knowledge itself creates grounds for structural exclusion. The aim was to understand the role of social policy in the creation of democratic space for women empowerment, and to what extent such policy knowledge can enhance the scope of women's participation in decision making at the village level. Following narrative analysis as the dominant method of data interpretations the paper focuses on the issues of freedom and capability at the local level and its challenges.

Keywords: Gender, Informal Work, Capability and Empowerment

Introduction

This paper has critically analysed the decision-making capabilities of working poor women population in rural Bengal to influence or negotiate with the provisioning of social policy or to question the fault lines that remain (or emerged with time) in the codified policy knowledge framework. The discussion has re-evaluated the idea of gender, as it has thought of, from the perspective of capability as an approach of development and empowerment through the implementation of social security or social protection policies. For instance, the debate and discussion of gender as a concept has undergone important paradigm shifts. The idea of gender began its journey from the arguments against patriarchal relations and division of labour and gradually expresses itself in relation to the sensitive issues of poverty, inequality, and contradictory and conflicting identity of women from different geographical locations. It has been realised that it is not only about empowerment but also on the issues of disempowerment in relation to the modern development discourse. An important question is also, how far the academic scholarships have successfully influenced the regime of welfare states and has created a

space for democratic and gender-sensitive negotiations either to access social security or to participate in the market. Thereby, it is important to understand, how, the new discourse of development since the 1980s has redefined the issues of empowerment/local protest/voices/space for negotiation under the welfare regime and later in the form of larger inclusive development. Since the 1980s, a major shift in policy debate can be observed in understanding and addressing problems of poverty. During this time the attention was greatly shifted towards the nature of poverty itself. This new conceptualisation has gone beyond the narrow definition of poverty and puts more emphasis on well-being, capability, vulnerability, etc. (Williams 2013: 193-212). In this regard, Amartya Sen's contributions form the core principles of the human development approach that evolved in the Human Development Reports.

The Human Development Report was the first of its kind, which shifted the focus of development economics from national income accounting to a people-centred policy approach. The first Human Development Report was launched by Mahbub ul Haq in 1990 with great ambition for forming a comprehensive approach towards

sustainable development. From its inception, the UNDP published Human Development Report (HDRs) and has adopted Amartya Sen's capability approach as a conceptual framework for analysing the challenges of contemporary development. This alternative methodology with the broader Human Development Indices (HDI) is a composite measure of achievements in basic human capabilities (Fukuda Parr 2003: 301-317).

This approach of human development defined development, as a process to enhance a person's functioning and capability in terms of increased choices to a range of things that a person could do or be in life. In the present-day context, this approach seems to have an impact on the policy choices on poverty, sustainable development, gender equality, governance, and globalisation. As argued by Sen (1999, 2009), the studies of deprivation should focus on functioning and capabilities of persons, rather than the narrow measures of income or consumption-based indices of poverty. Sen insists that improving peoples functioning should be the ultimate concern of poverty research which should reflect in the development indicators (Qizilbash 2011: 21-42).

Interestingly, the critical literature in this domain has doubted the means by which capabilities are realised in practice. The paper examines a few important critiques of Sen's work like Charles Gore (1993: 429-460), Sugden (2004: 111-134), and Cohen (1993: 2156-2160). The critiques have extended the debate on the capabilities of the poor, and have unfolded other important dimensions of policy knowledge on poverty as emerged from the experiences of developing nations.

It appears that, though the capability approach articulates the role of entitlements, such as social security in the expansion of personal freedom, the approach seems to share no significant cues about concrete steps for mitigating poverty at the household level. In theory, the approach has never claimed for providing a model for poverty reduction rather it focused on creating broader evaluative space for wider justice. But important questions remain regarding the extent that this space can be utilised for raising voices in practice and in relation to gender.

Methodology

This paper has analysed the experiences of social policy implementation among daily wage-earning women workers as a medium to find answers whether our understanding of 'policy knowledge' is taking an essentialist standpoint, because the implementation of social policy is more a socio-political phenomenon and thereby it leaves behind a question of its impact on working poor and women. In the formation and implementation of social protection policies two important questions are, how and why poor people decide to access or not to access the social security provisions? From this premise, the paper explores the notion of policy knowledge as influenced and determined by an individual's decision-making capabilities. Individual's decision-making capabilities are sensitive to identities like gender, political affiliation, status of migration, and many others. At the household level, the decision for social security is greatly influenced by the individual's access to resources, networks, and their previous experiences of harassment and negligence.

Regional location of the study:

Chinsurash-Magra is an important sub-division of the Hoogly District, consisting of ten Gram Panchayats, viz., Digsui-Hoera, Mogra-I, Mogra-II, Chandrahati-I, Chandrahati-II, Saptagram, Bandel, Debanandapur, Kodalia-I, Kodalia-II. From these ten Gram Panchyats 'Kodaliya Gram Panchyat I' has been purposively selected, as it is located adjacent to the district headquarters. The area was expected to have had a better impact of social protection policies. This paper is a part of my Ph.D. thesis where I interviewed women from 340 households drawn from 2700 enlisted below the poverty population. The calculated sample size is 340. The sample size was calculated from the below poverty lists published from the Kodaliya Gram Panchayat in 2010. Further, the stratified random sampling method was adopted to derive a proportionate sample from each Samsad (strata). Statistical calculation has been done from the statistical data available on Hoogly district of West Bengal.

However, in the research process soon it was realised that the below poverty list published by the Panchayat in 2010 was largely inadequate in capturing the region's true picture of poverty, this measuring criterion not only consists of a higher error quotient, but it reveals the identification of below poverty households was largely socio-political in nature. For instance in the region migration, before and after Bengal partition, political favouritism and class and caste-based discriminations are quite obvious, and more importantly, as I was looking into the issues of women the research explores various gender-sensitive discriminations which not only complicates the rules of provisioning at the local level but also establishes an exploitative relation with gender. For a more comprehensive understanding of discriminations in relation to gender the paper has focuses on the data that extracted from three villages with a large number of migrated below poverty, lower caste population, and geographically located far away from the village panchayat's office.

Nature of Population Following the History of Migration

A large number of households once uprooted from Bangladesh and migrated to India, were worst sufferers, with minimum or no recognition from the local government. Ensuring social security provision to these households involves complex political and social negotiations. The political shift had not only caused prolonged impoverishment to the poor households it reduced their scope for organised resistance. So the history of migration and caste politics is important in illustrating why and how the Partition had hit the lower caste migrants harder than those who migrated earlier. The influx in Bengal continued for many years even after Partition in different forms, and the role that the government played in recognition and resettlement of these poor households itself was ambiguous. The discrepancy was reflected in the official definition for displaced persons and also in the kind of provision provided. Household survey as a method of data collection had provided the scope to capture the diverse experiences of migration. It was evident that in the region, the poorest of the poor, who till now are not being

recognised as Indian citizens and unsuccessful in accessing formal coverage of protection policies, are late migrants (migrated long after Partition). However, in the area there are also migrants from Bihar, U.P, and other remote areas of Bengal who came in search of better employment. But the number of people who migrated from Bangladesh is strikingly high. As Table 4.11 reveals, 29% of the households migrated from Bangladesh to India because of Partition and 10% migrated internally (from other parts of the country).

In the Figure 4.b, the categories of migration are compared with the level of income. Where income is a continuous variable and migration categories are: 'migration due to partition', 'internally migrated', and 'non-migrates'. The figure 3.c, illustrates that apart from a few extreme cases the household income from all the three categories concentrates around the income level of 3500. The figure depicts an extreme case of one household earning fourteen thousand had originally migrated from Bihar, whereas in the category 'migration due to partition' the outliers are towards the lower end of income quintile groups.

Overall, the data speaks about a relationship that exists among Partition, migration, and poverty. Ensuring social security provisions to these households, with minimum or no recognition from the local government, involves complex political and social negotiations. This prologue socio-political marginalisation had not only caused impoverishment to the poor households it reduced their scope for organised resistance. So the status of migration was an important determinant of exclusion, but even then, it was difficult to take migration as only criteria of analysis. The status of households depends on how and when they migrate and how successfully they created local networks. Though, in the present-day context migration is an important cause of suffering but that does not mean non-migrants households less suffer, especially women-headed below poverty line households suffer equally or even worse.

It is to argue that, in third world context 'gender' has a different connotation, which is not confined in essentially

productive and reproductive roles. The relations men and women establish with various social institutions are determined by the kind of struggle he or she has been associated with. The vocabulary of West European and American scholarship shed little light on the way this great economic transformation has influenced the socio-cultural and political relations in developing nations (Harris 2004). Contextualising women in broader historical perspectives show how her negotiating space is greatly defined by her conscious understanding. The history determines the relations individuals establish with society, culture, and also with bureaucratic administrators. It is also important to mention that the research strategies adopted by western feminists are mostly to explore the context of the third world. This position of research in turn determines the specific approach and tools of analysis. On the other hand, for Dalit and third world feminists it is a struggle for identity. So the present study chooses to create a space whereby women themselves have narrated the causes of disempowerment and narrated to the research.

It is interesting to note that, it was difficult to take caste, class or employment status as a unit of analysis as because the nature of the population is complex and the caste and class have taken much difficult form to explore separately, for instance, the research came across many upper-caste women those economic condition is equally or worse than many lower caste women. The focus on disempowered women as subaltern subjects in Spivak's work has dislodged the articulation of subaltern histories from their particular class-based formations. Spivak emphasises how an exclusive focus on class and economics overlooks the material practices and historical role of women in the transition from colonialism to national independence in India (Spivak 1988). The relevance of Spivak's argument was realised, when the research came across many households headed by women, those who, despite their higher caste identity had suffered a worse fate than lower caste women because of the Partition of 1947.

The focus of the research from the beginning remain in gender, so I decided to include the issues, women in the

process of interview, identify as reasons of exclusion from the provisions of social policy. The negotiations and interactions that women are involved in their everyday living are important to illustrate the issues of capability and disempowerment. From the narratives, three broad themes have been derived which illustrate the nature of individuals functioning and capabilities. First, the issues of insensitivity and negligence, second the harassment causes to villagers and third, subjugation associated with corruption.

Insensitivity and negligence:

The issues of insensitivity and negligence not only hinder the poor household's access to social security but to a great extent it inhibits their economic and social inclusion. A woman staying with two small children and alcoholic husband specifically spoke about the issues of negligence and insensitivities.

The woman while illustrating the behaviour of the doctor at the health centre explained how the social relation and perception about an individual's identity determine the kind of treatment and care one receives.

She narrates, my husband is an alcoholic and I somehow managed to survive with two small children by doing domestic work and help from my mother and brothers. We do not have a proper house and clothes to wear. For two proper meals, I and my two small children often go to my mother's place. With my limited capacity I cannot seek private health services, so I try to visit the local health centre in the office of local Panchayat situated near my mother's house. For simple things instead of going to the hospital we go to the health centre.

She further elaborates, we are poor, and so the behaviour of the health centre doctor is also indifferent toward us. The doctor hesitates to touch us as if we are dirty and not clean enough. The insensitivity reflects in his behaviour. This kind of behaviour is an insult but as I do not have money I cannot go to the private doctor, I have to visit them whenever required (Field notes 2013, kodaliyapanchayat).

Further, the experiences of four different households are depicted below to illustrate their suffering during critical health problems because of insensitivity and negligence on part of the health workers.

The first case was of a woman who got a lesion during her first delivery i.e., five years ago and it was still causing her pain. If she does some heavy work it causes severe pain in her stitches. Her family with a monthly income of Rs.3000 spent more than ten thousand in the last five years on her health but nothing positive has happened.

In the second case, a woman was suffering from an infection in her body from the time of her first delivery. She came to know about the infection only at the time of the second delivery. Both the deliveries were done via caesarean section. The prolonged infection in the body made her second delivery critical. At the time of the interview her youngest child was five years old, i.e., already five years had passed after the second delivery. In between her health condition had further declined. Initially, the family made sincere efforts to cure her, but since the two years they stopped spending on her health as nothing fruitful was happening.

The third case of negligence was shared by a 45 years old woman. One year earlier she was suffering from severe tooth-ache and for that initially, she went to the hospital but the doctor was in a hurry. So, after quick observation without paying attention to the problem the doctor prescribed a few costly medicines. However, the pain increased after taking those medicines and she had to come back to the hospital. The doctor then prescribed two new medicines but the pain continued and gradually became unbearable. Then she approached a private doctor who asked her to stop taking the prescribed medicines and gave her new ones which cured her pain. She shared this experience while explaining her views regarding the government health infrastructure. According to her lack of care and irresponsible behaviour is the major problem in assuring good health.

The fourth case is of a woman who had an appendix operation at the local government hospital and has been

suffering from health complications since then. Her family with a monthly income of Rs.2500 spend a lot of money on hospital, doctor, medicine, testing, and travelling but the quality of the treatment she received was extremely poor. She said that, the sonography report received from the hospital was blurred and useless and thus, the actual diagnosis became difficult. A time came when the family had to stop her treatment due to a shortage of money. Her pain and suffering remained the same. At the time of the interview the lady was unable to sit, stand, or bend properly for a long time as it caused pain in her stitches. But she continued with all the required domestic activities. Though, she lives with her in-laws the scope for receiving support from them was limited as her aged father-in-law was also suffering from critical health issues.

The issues of insensitivity and negligence are not the simple drawbacks in the health delivery mechanism. This in reality creates broader grounds for discrimination. Thus, women experience different layers of patriarchy either within households or in a larger community. Along with the sufferings of being widowed, deserted, irresponsible, or alcoholic husbands, women were vocal about the gender-sensitive issues in social security provisions. The provision of social security is largely the domain of a few males. Women headed households consider having male members in the house or good rapport with the male Panchayat members are essential to access social security provisions.

Experiences of harassments

Experiences of harassments to access social security provisions have created apathy among villagers. Though the argument can also be like, individuals can overcome the issues of negligence and harassment with their knowledge of the legal right, which will be the case of enhanced capability. But the arguments from villagers were not the same; they keep on defining harassment as a socio-political tool that excludes villagers from social security provisions. For example, the knowledge that households below a certain level of monthly income are eligible to access specific health, food, and housing provisions, now this

knowledge by itself is meaningless unless people hold the capability to question, criticise and reform the legal procedures according to their need.

The sources of harassment are not always in its local rather it has national and transnational epicentres. For instance, a large number of below poverty households never get the scope to enlist their name in the officially published list for BPL households. Locally this omission is caused by political patronage, corruption, etc. and at the national and transnational level it is larger political interests and framework of rules that create the conditions of omission. It is not only an error in measuring indices of poverty line, but also a political representation of poverty. All these factors together determined the capabilities of individuals and households and which in turn influence the decision-making procedures. To illustrate the phenomenon further the next section illustrates the experiences from the public distribution system.

Experiences from the Food Security Provisions

The struggle for food in India is a continuous struggle. Among a few important measures that the government of India has adopted to ensure food security for its citizens are the green revolution, Indira Gandhi's 'GaribiHataoAndolan' and the recent 2013 Food Security Bill by the UPA government all these three have different context and appeared in different political scenario.

Along with this many more schemes for employment generation like IRDP, DRDA, and recently MGNREGA were introduced for poverty eradication in rural India. Hence, the approach of understanding the food crisis never remains the same. For a few it is a developmental challenge; the Human Development Report considers it more in terms of a human rights challenge. Others consider that more than judicial intervention, public action is essential (Jha 2002: 5159-5163). Despite being the most widely covered social protection policy; the burden of negative impact is more upon the poorest of the poor. Prevailing corruption, political party influence, bad quality food grains, non-availability of essential items, rude behaviour and harassment have worked together in

compromising with the provisioning system. This negative impact of exclusion is more on single earning women households, and seen intensified in the case of the migrated households. Two important cases narrate this phenomenon.

The research process introduces a woman aged around fifty-five, who was extremely feeble and sick, and took shelter in the house of a co-worker. The lady was a daily wage construction worker and did not have anyone in her immediate family. She had been experiencing rapid deterioration in her health for the past two years. At the time of the interview she had problems like the swelling of the leg, and frequent high fever which had further reduced her work capacity leading to less income, which in turn resulted in restricted access to a doctor. She was also unable to get ration as she did not have a ration card. Her official documents were spoilt after her father's death; though she applied for a new ration card she could not get one due to a lack of supporting documents. She was illiterate and not intimidated by official procedures. Though she was eligible to get a BPL card which could make her life easier, but she could not get access. Getting legal documents is a complex procedure, especially for poor migrants, as it requires resources like political networks, information about official methods, and good health. She had never received any co-operation from her extended family members.

Another incident was reported by a woman from the fishermen's colony. She told about an old lady who died due to hunger the previous year in their neighbourhood. There was no one to look after the old lady and she was unable to do any paid work for long. Gradually, she become malnourished and was unable to consult a local doctor. The community members, with earnings not more than Rs 50 per day per family, tried to help her with their limited means, but she died due to hunger. As the region is among the most neglected region in the area, the local Panchayat hardly listen to them.

Moreover, it was found that, households in the area without ration cards were mostly migrants. Migrants

from Bangladesh, Bihar, and Uttar Pradesh faced harassment, as transferring or getting a new ration card requires money which they cannot afford. Thereby, along with the social component, the disparity in food distribution is largely political. It is important to acknowledge that democracy had its limitations. Though, Sen's theory about democracy has widely acknowledged the importance of democratic government in famine reduction, to some extent the theory seems to be deterministic in nature (Gore 1993: 429–460). As in the present case, the democratic structures are itself repressive. In the present case they had neither created space for public action, nor had they been able to increase the scope for poor people's participation in scheme implementation. Thus, harassments are not a few isolated incidences rather a pattern can be observed where it creates and maintains institutional power relations to dominate the procedures of inclusion and exclusion.

The subjugation associated with corruption

In the present economic and political condition of India, corruption is not a mere threat in the implementation of development policy, as a part of bureaucratic transactions. Rather, corruption was defined as the language of decision-makers that not only compromises with the provisioning of social security to the needy, but to a great extent enhance discrimination at the community level.

At the institutional level, this typical culture of corruption enforces rigid structural hierarchy that manifests less sympathetic attitude towards the poor, women, older population, and migrating communities. To illustrate the impact of corruption in the provision of social security, the section has cited cases from experiences of housing provision under Indira Awas Yojana (IAY).

Corruption in the housing project of Indira Awas Yojana (IAY):

Ideally, the allocation of houses under Indira Awas Yojana should follow the decisions of the local democratic body of the gram sabha (democratic meeting at the village level). The gram sabha plays an important role in identifying the poorest of the poor households in the

locality and accordingly allocate the IAY housing money. However, in the studied Panchayat it is the Panchayat pradhan (head) and his close associates who dominate the decision of housing provision. Due to this, the provision of houses in IAY is largely political.

A villager says, people who already have big houses are getting IAY housing money, with their well-connected political networks (Field notes 2013, KodaliyaPanchayat). Moreover, from each provisioning of IAY housing money the Panchayat claims Rs.5000 as bribe. Probing further into the reasons like why households give bribe? It was found that the households pay bribe because of the perceived consequences. Households with their limited capability to challenge the local power structures find it beneficial to receive the minimum amount of IAY money even after paying the bribe. Thereby, paying a bribe is a conscious decision of a few poor households depending on their capability, power and need.

As a woman says, whatever we are receiving free of costs is our profit rather than not receiving anything (Field notes 2013, KodaliyaPanchayat).

Harassments in the IAY housing provision was more prominent among households in the migrated colonies.

Two such migrant households describe that initially, when we applied for AIY housing money, the Panchayat's office assured us about the provision. Based on that assurance, before monsoon we began repairing the houses. Later, due to some unknown legal problems we failed to receive the money, but by that time we already spent a lot of money on construction mostly by borrowing (Field notes 2013, KodaliyaPanchayat).

Authorities hardly bother to provide a valid explanation for refusal and harassment caused to the villagers. Random excuses like the housing scheme has stopped are given to the villagers. A female government official elaborately explained the reasons behind this kind of exclusions. According to her, the provisioning of IAY houses requires to have legally registered land document. But, all the squatter colonies formed after Bengal partition had

forcefully acquired the land and settled based on temporary allotments. In the present-day context those temporarily given land documents are not being considered as a valid proof for providing houses. As a result, a large number of migrants staying in those colonies cannot access the housing money.

Thereby, corruption is not only a social hazard but at the same time it is disempowering, humiliating, and discriminating. In the opinion of village women, corruption is more than a simple phenomenon of taking undue advantages it strengthens the authoritative stands of a few powerful individuals.

Thus, all these together forced poor households to compromise with basic human capabilities. The assumption that strengthening the structures of institutional provisions will strengthen the capacity and functioning of common people seems problematic. Even though the burden of criticism falls upon the field level workers, in reality their capacity to bring change in the nature of implementation is limited. Argument as emerged from findings that the protocols for institutional supervisions are overlooking the importance of co-operative efforts which might be more beneficial in the implementations of development activities. This process of knowledge codification is greatly influenced by who plays the dominant role in decision making? Hence, the argument is that depending upon the decision-making procedures institutions retain the reasons for exclusion for which corruption, negligence, and harassment become the mechanisms of exclusion.

Going back to the debate of 'capability and decision' that the paper began with, it is Amartya Sen's Capability approach which forms the core principle of human development indices that provides a framework for analysing basic human capabilities. The objective is to ensure basic human capability through entitlements.

However, from the above findings it could be suggested that entitlements alone hardly ensure emancipation. The provision of social policy involves complex social relations depending on an individual's identity, socio-cultural

position, and history. Even though, the Human Development Report provides an in-depth overview of the nature of poverty and also upholds the contradictory pictures of poverty and deprivation across nations but, the debate exists to what extent this approach can explore the disparity in true sense. It seems that it is not enough to capture the disparity in terms of food, health, income, and education but is also important to include other social exclusions like political patronage, caste, geography and migration. The structural exclusions caused to migrated households in the region have continued to be discriminated across generations. Even though, many migrated households successfully accessed the IAY housing money and many of them access PDS (Public Distribution System) services, but in reality that has neither enhanced their scope of earning nor has given them the power to better negotiate with the social security provisions.

This systematic exclusion does not recognise the local voices, conflicts, and knowledge. At the local level decisions are being taken by those who are in power or it is the national and international institutions with specialised knowledge that are gaining wider importance in the matters of policy decisions. At the societal level recognition of these kinds of tacit knowledge is essential to reduce prevailing disparity and inequality. This phenomenon is also reflected in the critical debate of entitlements. The contributions of Roger Sugden (2004: 111-134), M.S Gore (1993: 429-460), G.A Cohen (1993: 2156-2160) and Mozaffar Qizilbash (2011: 21-42) are important in this regard.

Sugden argued (2002: 111-134) that, the goal and process of development is difficult to be homogenised. Indicators can be useful in comparative analysis but local people should enjoy the freedom to embark on the strategy of development which is rooted in one's history, culture and should reflect upon their development priorities. Danger always remains in extending the indicators into rigid criteria or categories. Such judgemental categories of development set the parameters and moves away from the locality as the unit of analysis, despite the fact that the

locality has different criteria of development. As a result the localities become the subject of strategic decisions.

Sugden (2002: 111-134) also argued that external prescriptions inherent the interests of a few important concerned actors. For example, international organisations like the International Monetary Fund (IMF) and World Bank are being criticised for their approach towards less developed countries which cause inflexible structural adjustment programmes and explicitly serves the interest of transnational capital by insisting on rapid opening of the market. Thereby, it is transferring the ability of planning from governments to those controlling transnational corporations.

Even though the new approach towards human development was initiated from an alternative thinking, debate remains regarding the extent it can successfully curb the conceptual framework of traditional belief of trickle-down impact in practice. The narrow aim of growth and orthodox thinking in economics is equally evident. A related argument is also evident in the post-colonial literature where underdevelopment has been conceptualised more as consequences of the world capitalist system.

Following a similar line of debate, the writings of G..A..Cohen (1993: 2156-2160) focused on the relationship between 'freedom and control'. Cohen argues that Sen's official topic is inequality but his motivating interest is poverty. Sen has re-examined inequality but he does not undertake to say everything relevant to every aspect of the theme.

Cohen (1993: 2156-2160) illustrates the phenomenon by explaining the conflict between freedom and control. He cites a case of malaria control program, to state that the kind of freedom an individual enjoys in an environment without malaria is not his own. It is the State, who is the controlling agent of this kind of freedom. If the policy of malaria elimination is adopted democratically then people's control to exercise freedom might enhance. In most of the cases the decision of malaria clearance is achieved by an undemocratic administration or under the

distant direction of international agencies as a result people have neither control nor freedom. According to Cohen, even if people do desire a life without hunger or malaria, the elimination of these maladies through public policy does not enhance their ability to choose to live as they desire.

In contradiction, Sen defines this kind of provisioning in terms of effective freedom. In Sen's view effective freedom is important because in the modern complex society there is much that we cannot secure individually rather a collective method is helpful. Notably, Cohen's contradiction with Sen is more from a philosophical perspective. Cohen acknowledges the political importance of Sen's view Qizilbash (2011: 21-42).

Charles Gore (1993: 429-460) in his famous article Entitlement Relation and Unruly Social Practice: A comment on the work of Amartya Sen examines the conceptual biases and analytical deployment of Sen's entitlement analysis. Focusing on the rules of entitlement Gore argues that with time rules of entitlement are equated with state-enforced legal rights. His main argument is that despite various modifications and extensions, Sen retains a view on the rules of entitlement which downplays the socially enforced moral rules or compartmentalises them in the domestic sphere. This in Gore's perception is greatly inappropriate with the kind of philosophical argument Sen is making.

Moreover, Gore (1993: 2156-2160) argues that, to improve Sen's idea of entitlement requires incorporating the non-governmental sites of rulemaking and rule enforcing. It is also imperative to examine how the state-enforced legal rule and socially enforced moral rules together enable the command over commodities.

This broad overview includes the issues of power relations and discursive practices as the central element of entitlement analysis. Here, the entitlements are seen as the outcome of an active process of negotiation. Gore (1993:429-460) spoke for a 'consequence sensitive' and 'right inclusive' approach which is essential for assessing the consequences of state-enforced legal rights and their

interplay with the socially enforced moral rules.

At the end, the recent writing of Qizilbash (2011: 21-42) is important because his understanding of the capability approach has included both the strengths and weaknesses in a more comprehensive manner. To illustrate the strength and weakness of the capability approach he divides the approach into a thin and thick view.

The thin view articulates the case for seeing capability and functioning as providing the evaluative space of information alongside other spaces such as utility. In Qizilbash's (2011: 21-42) opinion, when the approach is restricted to constitute this sort of view it need not specify the functioning that are relevant to evaluate in various contexts or can specify the relative weights to be given. Thereby, the approach can be used with a range of evaluative approaches to weighting and views about valuable functioning. Sen's concern is that resources and primary goods are the means which are not valuable by them. If the real concern is people's life then emphasis should be in measuring the differential rates at which means (resources and primary goods) are converted into an opportunity to achieve the valuable ends.

On the other hand the thick views focused on the articulation of specific all-purpose lists of functioning or it sets the weight. It suggests that, in various contexts and different purposes distinct lists might be helpful. At the same time it stresses the role of public reasoning through discussion and debate. It conceptualises this scope of decisions as a matter of social choice because theoretical reasoning on its own cannot provide different societies with a list of functioning or its weights which would necessarily be acceptable to people with different views. More importantly, authors like Martha Nussbaum have further thickened Sen's writing on capability by incorporating elements from the works of others and her thoughts. Importantly, Sen has also acknowledged the possibilities where weights assigned to different functioning might change over the years as any society priorities other needs (Sen 2009).

Thereby, even though the capability as an approach has

opted for broader space in policy knowledge disparity remains in the conceptualisation of capability as basic human functioning and control of the poor to utilise the knowledge space. The broader framework of gender knowledge should provide the space to capture the conflicts that are arising because of local and global changes. As argued the provision of social security and capacity to decide what kind of social security is required, i.e., the liberty to access or create those kinds of changes are two different issues.

Discussion and Conclusion

The UN Commission for the Social Development adopted a resolution in February 2010 that urges governments to develop systems of social protection and to broaden their coverage including workers in the informal sectors. The emphasis remains on the strong policies for developing integrated interventions (ILO 2010). However, despite such standardised universal measures, contrary arguments emerged from different local experiences which gets reflected in the literature. First, doubt arises from the social security coverage data. Though, social security has conceptualised in terms of broader human rights in reality only a minority of the world's population enjoy the right, while the majority lacks comprehensive and adequate coverage. In Sub-Saharan Africa and South Asia the number of people with access to even the most rudimentary protection is estimated to be less than ten percent (World Social Security Report 2010/2011). More recently, the World Social Protection Report 2017-2019 depicted that, globally only 45% of the World Population is covered by at least one social protection benefit, 4 billion people are still unprotected. Only 29% of the global population has access to comprehensive social protection, 71% are not or are partially protected. 83 million mothers are still unprotected. Secondly, important arguments emerged from the struggles and experiences of third world nations. This includes the academic theories like the colonial and subaltern line of argument, developed as a theoretical protest against the Western notion of development.

Further, the above discussion has critically analysed the capability as an approach in 'policy knowledge'. It seems even if the approach is methodologically demanding but, do at least warn against its reductionist impact (Gore 1993, Cohen 1993). Though, Sen always speaks in favour of public reasoning and contextual logic but in practice the approach has not contributed much to enhance the space for public reasoning. The approach at the local level has largely been evolved as an intervening tool in the hands of state or international organisations. The objective of strengthening the basic human capabilities or functioning like getting nutrition, not to be hungry etc., has not challenged the procedural drawbacks involved within the delivery mechanisms, and the negative impact of such structural exclusions is even severe among the working women population. Economic participation of women does not have enhanced women's capabilities to demand such provisions nor has it created a scope for women's participation in academic movements. Thus, even though, the capability approach appears critical to enhancing the evaluative space in theory but in reality this has not encouraged people's democratic participation in knowledge creation.

Analysis derived important insights like corruption is not a simple issue of giving bribe instead these are the mechanisms for structural exclusion. The experiences of harassment and negligence were also not portrayed as a few exceptional incidences but they convey a kind of social relation which resists poor people's access to social security. The decision about social security at the household level depends on the kind of relationship they had established with the local authority and their conscious understanding of the vulnerabilities that they are exposed to. Thus, the awareness or knowledge about social security by itself is inadequate to enhance poor women's access to social security. Rather, it is needed to locate the poor households in the context of changing global and local relations. Further, the paper has problematized the health in terms of accessibility the findings brings out that it is not only physical extortion or direct violation of law. To a great extent it is the domination and the control over knowledge.

In reality the grounds of not provisioning remains largely tacit in nature. For example, regarding problems of accessing government health facilities 16.8% women spoke about inadequate infrastructure, 5.9% shared their feeling of negligence, 25.6% mentioned about higher travelling costs, 29.4% mentioned about long waiting hours and 22.3% were vocal about limited free medicine. Further, food security data shows that, in spite the Public Distribution System is the most extensively covered social protection mechanism in India but its real impact on the poorest of the poor is limited. The data shows that among the households, with income not more than Rs.2500, 23.1% feels neglected, 28.6% talked about the political interferences and 26.4% consider powerlessness as important factor against accessing quality food grains.

Thus, from the previous feudal relation the poor are entering into a new social relation with the government and its officials mainly through the provisioning of social security and social protection. This appears to be equally exploitative. A Substantial literature in theorising women and the idea of empowerment emerged as a critique of mainstream western understanding. In India, this alternative line of argument is found in the writings of Postcolonial, Subaltern, and Dalit feminist. This is a struggle where feminist thinkers from the south redefined the idea of 'empowerment' from the emerging consciousness from the south that colonial education had largely distorted. To question the 'global framework of policy knowledge' as third world researchers our inquiry should begin from the assumptions and objectives of any development program and about its impact on changing local relations. As evident from the narratives, it is not a mere gap in ideation and implementation, but it strengthens specific knowledge categories that are less flexible and sensitive towards local needs. Thus, studying the sensitive issues of poverty and gender primarily should be considered as a methodological challenge.

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Table: 1.1 Frequency of Migration (N=340)

Reasons	Percent
Partition	28.8
Internal Migration	9.7
Non Migrated	61.5
Total	100.0

Source: Primary Data

Table: 1.2: Problems for accessing government health facilities (On the basis of first preferences) N=340

Problems	Percent
Inadequate Infrastructure	16.8
Feeling of Negligence	5.9
Higher Travelling Costs	25.6
Long Waiting Hours	29.4
Less free medicine	22.3
Total	100.0

Source: Primary Data

Table: 1.3: Reasons of unsatisfactory rationing system

Income quintile	Do not have time (%)	Negligence	Powerlessness	They are happy	Political Interferences	Total
Not more than 2500	22.0	23.1	26.4	14.3	28.6	23.1
2501-3000	33.9	32.2	26.4	19.0	28.6	29.2
3001-3500	13.6	20.7	20.0	19.0	21.4	19.1
3501-4000	13.6	11.6	13.6	33.3	14.3	15.1
4001-above	16.9	12.4	13.6	14.3	7.1	13.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

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Relevance of Government Audit: Evidence from Tripura

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Abstract

The study has attempted to assess the relevance of government audit in a period of audit failure exposing series of scams in the government departments of Tripura with the interventions of judiciary raising doubts about the quality of audit reports. Setting cross-sectional research design and conducting a survey it has collected primary data from the 170 sample respondents. Statistical results have indicated significant impacts of three factors on the government audit and the latter has likely impacted in corruption preventions and introducing reforms in accounting practices. It has acknowledged few limitations, highlighted the implications of the findings and has indicated scopes for further research.

Key Words: Government Audit, Survey, Financial Irregularities and Inferential Statistics.

JEL Classification: C83, H53, M42.

1. Introduction

The core purpose of the government audit is to closely monitor and assure the compliance of rules and regulations in the government expenditures (Liu & Lin, 2012), to report the deviations if any, as well as to suggest the corrective measures for achieving the financial regularity and transparency (Diamond, 2002). Different forms of corruptions in the government sectors such as bribery, cash embezzlement, kick-backs, scheme diversions and nepotism and its effects on the government exchequers have been reported (Zhou & Tao, 2009; Li & Zhuang, 2009). The paradox between the government audit and corruptions has been in the research agenda since long past (Olken, 2007). Literature has documented after DeAngelo's (1981) 'audit quality' definition studies on the related issues have gained momentum (Khalifa et al., 2007). Multiple issues like citizens' perceptions about the audit quality and audit quality attributes (Knechel et al., 2013; Beattie, Fearnley & Hines, 2013), role-perception gaps (Lee, 1994), audit quality and experience gap (Huault, Lazega & Richard, 2012), users' expectations about the

broader scope of audit (Gold, Gronewold & Pott, 2012) and even quality variations between the audit teams (Sutton, 1993) have been studied in delve. The studies on the quality of government audit have been attempted based on Zhao's (2005) three categorizations viz. *technical factors* [e.g., audit period (Saito & Mcintosh, 2010), professional competency (Ma, 2007)], *independence factors* [e.g., institutional environment (Blume & Voigt, 2011), political competition and power dynamics (Melo, Pereira & Figueiredo, 2009)] and *administrative factors* [e.g., irregularities and corrective measures (Huang & Wang, 2010)].

Studies on the multiple economic consequences of the government audit e.g., audit efficiency in the public school operations in China (Saito & Mcintosh, 2010), significant improvements in the transparency of the public policies in the multiple countries (Schelker & Eichenberger, 2010) and significant decrease in over spending tendency in the public road projects in Indonesia (Olken, 2007) have been documented. Moreover, detection of corruptions in the US (Ferraz & Finan, 2011), prevention of government and

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political party members from involving in corruptions in China (Li, Miao & Liang, 2011), exposure of financial and operational irregularities by the government audit in China (Zhao, 2005; Gong, 2010), improvement in the governments' operational performance by the employee trainings and improved correction of shortfalls in Israel (Cohen & Sayag, 2010) and detection of corruptions even in the highly independent government departments in Brazil (Ferraz & Finan, 2011) have also been indicated. Literature has reported studies on the government internal audit effectiveness and top management's support and funding likely to enhance the safeguarding of the government assets and audit quality and in building robust internal control system including internal audit (Cohen & Sayag, 2010; PWC, 2011; Provost, 2012; Enofe et al., 2013; Udeh & Nwadior, 2016). Furthermore, government audit effectiveness have been significantly influenced by the factors like training of the audit staffs, characteristics of the audit, experience of the auditors and audit independence (Nanni, 1984; Friedberg & Lutrin, 2001; Arena & Azzone, 2009; Ahmad, Othman & Jusoff, 2009).

In Indian context studies on the government financing, accounting and audit have been attempted in multidimensional aspects such as rural local government financing (Alok, 2008), the paradox between the governance and corruption (Sudarshan, 2005; Transparency International India Report, 2017), ill effect of corruptions on poor (Sekhar & Shah, 2006) and the role of the top bureaucrats in ensuring equal distribution of wealth (Bardhan & Mookherjee, 2005). Lacunas in the implementation of citizen-centered planning of MGNREGA schemes in different states (CAG Report, 2013), increasing citizens' awareness level (Burra, 2010; Drèze, 2011) along with proper implementation of the MGNREGA schemes (Vij, 2011; Lakha, 2011) through conducting social audit have also been reported. Moreover, the scope for improvements in government accounting (Deb, 2014), strategies for effective funds management (Deb, 2015), changing role of government financial audit to forensic audit (Deb, 2018) and the

financial mechanism for relief (Pande & Pande, 2007) have been validated in the literature. The impacts of gender of the gram Panchayet presidents and their expenditure patterns on water-related issues has also been indicated (Rajaraman & Gupta, 2012). Literature has conceded how auditors have put under pressure from the institutional factors to undermine their audit works to suppress the financial misdeeds (Watts & Zimmerman, 1980; Zheng & Yin, 2010). Similarly, the series of scams in government departments of Tripura which have either been exposed by Right to Information (RTI) activists or by filing PILs in Hon'ble High Court (HC) have indicated the gravity of the scenario. In last few years the judicial imprisonments, suspensions and orders of departmental enquiries against the few bureaucrats and other officials of the state government departments have raised serious doubts about the poor public funds management practices along with the failure of the state's internal Audit Directorate in timely detections of financial irregularities and taking preventive measures. Media reports during last few years have consistently reported the exposure of series of scams in the different government schemes and departments in Tripura. Scams and irregularities have been exposed in the chit fund scams perpetrated by Sarada, Rose Valley and other chit fund companies. Financial shenanigans in various rural development (RD) blocks like Bishalgarh, Rupaicherri, Pecharthal, Dasda, Satchad especially in the implementation of MGNREGA scheme; National Rural Health Mission (NRHM) scam, Rashtriya Madhyamik Siksha Abhiyan (RAMSA) scam, ginger scam, spurious drug scam, education scam in the form of students admissions in other states and taking brokerage by middlemen and allegations of taking kick-backs by few officials are the prominent (Tripurainfo.com archives). Interestingly, all the departments have undergone through internal audit carried out by the Audit Directorate of the state government but based on public interest litigation (PIL) filed by few senior advocates The Hon'ble HC of Tripura Division Bench on 17th November, 2016 has ordered for conducting special audit in MGNREGA scheme implemented by all 58 RD blocks in Tripura by

Chartered Accountant firms (Tripurainfo.com archives). Such intervention by the judiciary itself has raised doubts about the relevance and validity of audit reports published by of the Audit Directorate. The study has extensively reviewed the literature to trace out the research attempted to assess the relevance of government audit but probably the literature has scant as it has not found any such prior study at least in the Indian context. The identified research gap has generated a basic research question whether the government audit has been losing its relevance in the changing scenario with a series of audit failure as evidence from the judicial pronouncements and consistent exposures of miss-management of public funds as exposed by the local media.

The study has contributed in the literature in three ways. Firstly, applying Zhao's (2005) three factors for assaying government audit quality in the Indian context the study has concluded with concurrent validities i.e., technical, independence and administrative factors have significantly influenced quality of the government audit in Tripura. Moreover, the audit failures probably have attributed due to lack of sufficient audit duration [a technical factor (Bronson, Masli & Schroeder, 2014)], pressure from superiors regarding contents of audit reports [an independence factor (Zheng & Yin, 2010)] and unethical attitudes by the officials (Batory, 2012) along with lenient applications of anti-corruption measures like declarations of assets by the officials (Painter et al., 2012) [administrative factors]. Secondly, different types of financial irregularities have been identified which have contributed in breeding corruptions in the government departments, in tune with the literature (Shleifer & Vishny, 1993) and the Internal Audit Directorate's auditors probably have failed to check those misdeeds as were expected from them, in contrast to literature (Omar & AbuBakar, 2012). Thirdly, in line with the literature it has validated that how the governments may introduce reforms in its accounting system covering multiple areas such as funds management (Yilmaz, Beris & Serrano-Berthet, 2010), frauds circumvention (Power, 2012) and even switching over to accrual basis of accounting

(Oulasvirta, 2014). Interestingly, in course of interviews the respondents have unequivocally expressed their reservations about the implications of prior audit reports as it has been evident from a good number of exposed scams, punishments and litigation instances in recent past, contradicting the expected outcomes of government audit. Accordingly, the present study has attempted to evaluate the relevance of government audit quality in the light of the precedence of audit failures and judicial interventions.

The subsequent sections of the paper has designed as review of literature and hypotheses in Section 2, research methodology has discussed in Section 3, findings of the statistical tests and their discussion have been presented in Sections 4 and 5 respectively and eventually in Section 6 the study has reached in its conclusion.

2. Contextual Background and Hypotheses

The study has reviewed the related literature based on which the research hypotheses have been formed and eventually in Fig. 1 a conceptual model has been sketched.

2.1 Technical Factors and Government Audit

Literature has reported that auditors' competency and professional judgment have reduced audit related challenges and thereby have increased the audit quality (Fu, Tan & Zhang, 2011; Bobek, Daugherty & Radtke, 2012). The top management's support e.g., in the form of frequent training arrangements likely has improved the audit quality (Nanni, 1984) as well. Moreover, the trained auditors have significantly reduced the tendency of the preparer's misstatements (Rich Solomon & Trotman, 1997). Further, few scholars have pointed out the audit duration and budgetary pressures reduce the audit qualities significantly (Bronson, Masli & Schroeder, 2014).

2.2 Independence Factors and Government Audit

Prior studies have validated that the quality of the government audit has been largely dependent on the freedom enjoyed by the auditors, minimal interference from the higher authority and even during post audit report submission repercussions (Zhao, 2005; Ma, 2007; Li et al., 2011). On the other hand, the organizational

structure (Li, 2007) and any direction from the superiors about the contents of the audit reports (Watts & Zimmerman, 1980; DeAngelo, 1980; Zheng & Yin, 2010) likely have to reduce the reporting quality. Par contra, few scholars have concluded that auditors' opinions and reporting quality are independent of superiors' pressure (Lee, 1993); while others have conceded that actual institutional arrangements (English & Guthrie, 2000) and the political environment (Melo, Pereira & Figueiredo, 2009) have significant influence on the audit independence and reporting quality.

2.3 Administrative Factors and Government Audit

Literature has validated that studies have concluded that corruptions reduce by human will, discipline, instruction and inculcating ethical practices (Dwivedi, 2011). On the other hand, official corruptions derived due to unethical attitudes (Batory, 2012), poor compensation structure with little scope for career growth (Kamit, 2014), pressure for paying bribes to get promotion (Ponniah & Sokheng, 2015) and professional misdeeds (Andreoli & Lefkowitz, 2009) by the top bureaucrats. Literature has also indicated that anti-corruption measures have been weakly implemented due to fear of employees' agitations (Painter et al., 2012; MacLean, 2012). Based on the above points, it has been hypothesized that:

H₁: Technical, Independence and Administrative factors jointly impact the government audit quality.

Furthermore, to assess and compare the impacts of the three factors severally on the outcome the following three sub-hypotheses have also been framed:

H_{1a}: Technical factor impacts government audit quality.

H_{1b}: Independence factor impacts government audit quality.

H_{1c}: Administrative factor impacts government audit quality.

2.4 Government Audit and Prevention of Corruptions

Different forms of corruptions and frauds in the government sectors have been identified e.g., taking bribes and kick-backs, sale of government properties without tenders, fund deviations, funds embezzlement and

nepotism (Shleifer & Vishny, 1993; Svensson, 2005). Any such fraud has huge effects e.g., in the government exchequer (Burnaby, Howe & Muehlmann, 2009; Beasley et al., 2010) and internal auditors have been primary entrusted to detect those misdeeds (Omar & AbuBakar, 2012). The related hypothesis has set as:

H₂: Government audit prevents corruptions.

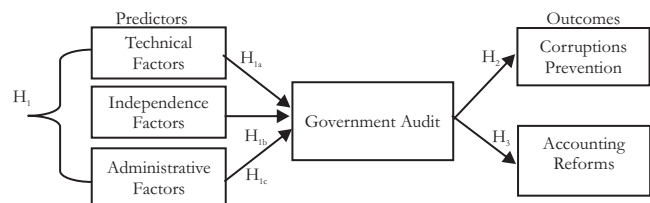
2.5 Government Audit and Accounting Reforms

Literature has indicated that the governments based on the audit reports have introduced reforms in the multiple areas such as funds management (Guner & Yilmaz, 2006; Yilmaz, Beris & Serrano-Berthet, 2010), controlling mechanism (Leung, Coram & Cooper, 2007; Jacobs, 2012), fraud safeguarding (Power, 2012), monitoring (McLellan, 2011) and switching over to accrual basis of accounting (Goldfinch & Wallis, 2010; Van de Ven et al., 2013; Warren, 2014; Oulasvirta, 2014). Hence it has hypothesized that:

H₃: Government audit channelizes accounting reforms.

In Fig. 1 three predictors viz. technical factors, independence factors and administrative factors have assumed an effect on the outcome severally and jointly, i.e., government audit and the latter has an effect on the other two outcomes- prevention of corruptions and accounting reforms. It has presumed a research paradigm where the *ontology* is the losing relevance of government audit at least on the basis of Hon'ble High Court of Tripura's judgment (the existence of reality), followed by an *epistemology* (have gathered primary data to address the research problem), having an *axiology* to evaluate the respondents' perceptions (objectives of the research), has followed an appropriate *methodology* (steps adopted to carry out the study) and finally followed by a *method* (conducting survey and application of data analyzing techniques) to derive the conclusions.

Fig 1: Conceptual Model of Government Audit Propriety Study (Source: Authors)



In Fig. 1, three predictors viz. technical factors, independence factors and administrative factors assumed have affected the outcome severally and jointly, i.e., the government audit and the latter has an effect on the other two outcomes- prevention of corruptions and accounting reforms. For execution the study has presumed a research paradigm where the *ontology* is the losing relevance of the government audit at least on the basis of Hon'ble HC of Tripura's judgment (the existence of reality), followed by an *epistemology* (have gathered primary data to address the research problem), having an *axiology* to evaluate the respondents' perceptions (objectives of the research), has followed an appropriate *methodology* (steps adopted to carry out the study) and finally followed by a *method* (conducting survey and application of data analyzing techniques) to derive the conclusions.

3. Methodology

The methodology is an approach for executing the research in a scientific manner and therein incorporated the following sub-heads:

3.1 Study Design

The present study has adopted *cross-sectional design* as it has been executed during January-March, 2017. This design has chosen as it has the purpose to assess the perceptions of the sample respondents about the overall picture of the research problem (Babbie, 1989) and likely to derive higher levels of external validates (Lee & Lings, 2008). The survey design having multiple advantages e.g., eases of quantification and estimation about the study population (Fisher, 2007; McDaniel, 2010) has been followed.

3.2 Methods

The research methods, strictly speaking the data gathering and analyzing technique (Saunders, Lewis & Thornhill, 2014); unique to a particular research problem, has been framed in the following manner.

3.2.1 Schedule Development

The study has developed the interview-schedule in multi-stages. *Firstly*, the digital library of a central university

accessed using few key words like government audit, funds management and corruptions in government sector and reforms in government accounting and 224 papers with full texts have been downloaded. *Secondly*, the downloaded papers have been extensively reviewed to form the research hypotheses, objective of the study and items of the schedule. Based on the literature review the study has generated 51-items schedule for conducting the pre-test. *Thirdly*, the enumerator thereafter has run a pilot study with randomly chosen 30 sample respondents to check the words, clarity and order of the items as scholars suggested e.g., Zikmund & Babin (2012). *Finally*, the data of the pilot study has put into SPSS-20 to check the reliability (a good measure) of the items and based on the Cronbach's alpha scores .5 and above 47-items have been retained for final survey.

3.2.2 Sampling Technique

The study has presumed all the college and university students, service holders, businessmen and self-employed persons of Tripura, a north-eastern Indian state as study population amongst them 170 sample respondents have been chosen following a simple random technique. The sample size (n) has computed based on the advice of social scientists (Roscoe, 1975; Tabachnick & Fidell, 2013) threshold limit of 30 and 500. Moreover, the statistical outcome with $n > 100$ most likely draw the similar conclusions in parity with larger sample size (Isreal, 2013).

3.2.3 Data

3.2.3.1 Primary Data

The study has used self-administered interview schedule along with a cover letter incorporating the study objectives and instructions to fill in the items of the schedule. Section- A of the schedule has addressed the general profile of the respondents, Section- B has covered research problem related items designed with 5-point Likert scale with answer options strongly disagree (1) to strongly agree (5) for accessing the benefits like easy coding and tabulation (Hair et al. 2010). The choice of 5-point Likert scale has been based on the better internal consistency as suggested by authors (Wu, 2003). Further, it

has carefully reviewed the prolonged debate about the nature of the scaling technique of the Likert scale and has conceded it as an interval scale inasmuch the objective is to compute the summated score of the items (Li, 2013). The applied scale of the study has been identified as 'Likert scale' rather 'Likert type scale' and accordingly the relevant descriptive statistical measurements have been computed, in line with literature (Clason & Dormody, 1994). Close monitoring on the number of items and probable non-response tendency has been managed by keeping the number of items into a standardized number as scholars have suggested (Dilman, 1978). The enumerator has briefly explained the objective of the study to the respondents as well as translated the items into vernacular language (Bengali) as per the respondents' requests (Peytchev et al., 2010), which, in turn, has clarified the doubts whenever emerged and also assured them about maintaining anonymity regarding the individual responses as scholars have recommended (Oppenheim, 1992).

3.2.3.2 Secondary Data

The *Primary sources* have been accessed and reviewed the downloaded research papers published by international

publishers e.g., Emerald, Sage, Wily, Springer, Elsevier Science Direct and Taylor & Francis. Moreover, data base JSTOR and J-gate (online journals), project reports, monographs have also been accessed. The *secondary sources* include the review papers, relevant websites and expert opinions published in business newspapers. The *tertiary sources* have been encompassing of the citation indexes e.g., the Indian citation index and the Social Science Research Network (SSRN), Google Scholar and Research Gates. Further the website of C&AG has also been explored.

3.2.4 Data Analysis Strategy

The study has used IBM SPSS (statistical package for social science)-20 for analyzing the raw data.

3.3 Parameters

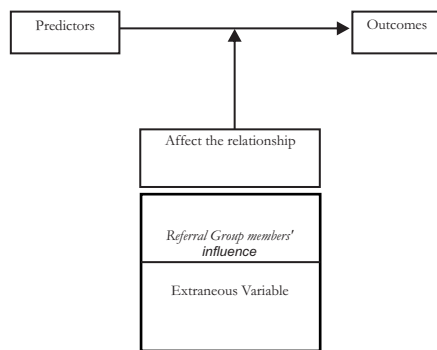
The parameters of the study have exhibited in the Table 1 as well as in Fig. 2. The predictors (independent variables), outcomes (dependent variables) and the extraneous variable (influence of referral group members) which probably could influence the strength of the relationships between predictors and outcomes have been controlled by conducting the interviews separately.

Table 1: Variables of the Study*

Predictors	Outcomes	Extraneous
<i>Technical Factors</i>	Government Audit	<i>Influence of Referral group members</i>
<i>Independence Factors</i>		
<i>Administrative Factors</i>		
<i>Government Audit</i>	Corruptions Prevention	
	Accounting Reforms	

*Source: Authors

Fig. 2: Sets of variables for studying government audit proprieties (Source: Authors)



3.4 Significance Level

The study has assumed 95% confidence about the likely behavior of the study population based on statistical results of the samples. i. e., the significance level (α) has taken as 5%.

3.5 Selection of Statistical Tests

The choice of appropriate statistical tests have based on hypotheses, objectives of the study, type of data and sample size; which have been summarized in the following tables, exclusively compiled by the researchers of the present study.

Table 2: Choice of Tests*

Tests	Variables						Purposes	Null Hypotheses
	Predictors			Outcomes				
	Name	Measurement	No.	Name	Measurement	No.		
Multiple Regressions	Technical, Independence and Administrative Factors	Categorical (Nominal)	3	Government audit quality	Continuous (Interval)	1	To estimate the impact of three predictors on an outcome.	H_{01}
Simple Regression	Technical Factors	Continuous (Interval)	1	Government audit quality	Continuous (Interval)	1	To predict the value of an outcome based on the value of a predictor.	H_{01a}
	Independence Factors	Continuous (Interval)	1					H_{01b}
	Administrative Factors	Continuous (Interval)	1					H_{01c}
Simple Regression	Government audit	Continuous (Interval)	1	Corruptions Prevention	Continuous (Interval)	1	To predict the value of an outcome based on the value of a predictor.	H_{02}
Pearson's Correlation & Simple Regression	Government audit	Continuous (Interval)	1	Accounting Reforms	Continuous (Interval)	1	To measure the strength and direction of association that exists between a predictor and an outcome.	H_{03}
							To predict the value of an outcome based on the value of a predictor.	

*Authors' compilation

Table 3: Assumptions Hold for Selected Tests**

Tests	Type	Rationale
Pearson's Correlation	Parametric	Interval Data, linearly related, Sample size (n)>30, sampling distribution is bivariate and normally distributed.
Simple Regression	Parametric	Interval Data, linearly related, sample size (n)>30, sampling distribution is multivariate and normally distributed.
Multiple Regressions	Parametric	Interval Data, linearly related, sample size (n)>30, sampling distribution has bivariate form which has normally distribution.

**Authors' compilation

3.6 Research Validities

The study has taken appropriate steps to counter the internal validity threats (e.g., the respondents have chosen randomly, have surveyed in different points of time), external validity threats (have been kept the results of the study within the study population) along with different research validities e.g., internal (statistical results), construct (items of the data collection tool), contents (how the items have addressed study objectives), instrument (applied scaling techniques), concurrent (similarity or deviation from prior studies) and conclusions (generalizations of results in wider sense) have tested.

4. Findings

4.1 Descriptive Statistics

The descriptive (sample) statistics of the study have explained using mode (for nominal scale), means and standard deviations (for interval scale).

The study has reported that majority of the respondents are men (84.1 percent), married (68.8 percent), oscillated in the age group of 26-35 years (53.4 percent), graduates (68.2 percent), service holders (49.4 percent), general (36.5 percent) and Hindu by religion (86.5 percent). Moreover, 71.2 percent respondents have perceived that technical factors have affected government audit whereas 81.8 percent and 79.2 percent respectively have perceived that independence and administrative factors also have

affected government audit.

Government Accounting in Practice is the name labeled for Factor 1 which has 9 items with average means 4.17 and average SD .752, with means ranging from 3.97 to 4.39. Factor 2 has been assigned the name of *Government Internal Audit Uniqueness* having 7 items with average means 4.05 and average SD .705, with means ranging from 3.82 to 4.26. The third factor has been labeled with the name *Government Audit & Fraud Preventions* has 7 items incorporated having average means 4.01 and average SD .656, with means ranging from 3.95 to 4.25. Factor 4 has been assigned the name of *Required Reforms in Government Accounting* has therein 6 items with average means 3.97 and average SD .698, with means ranging from 3.77 to 4.22. The last factor has been assigned the name of *Audit Expectations* having 8 items with average means 4.06 and average SD .618, along with means ranging from 3.85 to 4.36.

4.2 Factor Analysis

The study has run Factor analysis for data reduction, data clustering as well as for accessing its extended benefits for further analysis (Field, 2000). The reliability and the degree of consistency between the items have been tested using Cronbach's alpha scores for all the retained items put together (.844) and sampling adequacy (.740) has been

tested using Kaiser-Mayer-Olkin (KMO).The outcomes exceeding the benchmark of .6 giving the rationale for applying Factor analysis as scholars have advised (Kaiser & Rice, 1974; Hair et al. 2010).The overall significance of the correlation metrics have tested with Bartlett Test of Sphericity (approx. Chi square =1667.176 and significance at .000) has validated the adequacy of data set, i.e., in other words, the significant chi-square score has affirmed that the matrix unlikely be an identity matrix. Further, the Cronbach's alpha scores of pre-test have supported to

drop four items having the scores less than .5. The excluded items included: political corruption is considered a major impediment to economic development (.452), government audit may have led to a stronger electoral disciplining effect (.396), audit failures occurred due to the professional negligence and due to applied audit techniques (.483) and audit failures have been take place as the internal auditors were untrained with the fraud detection techniques (.391).

Table 4: Total Variance Explained*

(Factors: Government Accounting in Practice, Government Internal Audit Uniqueness, Government Audit & Fraud Preventions, Required Reforms in Government Accounting and Audit Expectations)

Factors	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.015	25.18	25.18	7.302	21.18	21.18	7.302	19.12	19.12
2	6.127	19.07	44.25	5.148	17.11	38.29	5.148	16.39	35.51
3	4.338	14.16	58.41	3.220	13.48	51.77	3.220	12.23	47.74
4	2.849	9.36	67.77	2.115	7.89	59.66	2.115	10.91	58.65
5	1.224	6.69	74.46	1.039	3.57	63.23	1.039	4.58	63.23

*Primary data

In Table 4 the summarized Eigen values of the extracted five factors have been reported. Eigen values above 1, as advocated by the scholars (Ho, 2006) have been retained representing approximately 74.46 percent of the variables; an adequate percentage for taking inferences (Pett, Lackey & Sullivan, 2003).

4.3 Inferential Statistics

Different inferential Statistics- set of numerical techniques have been used to test the null hypotheses based on primary data for estimating the likely behaviour of the

study population from which those samples have been randomly selected.

4.3.1 Multiple Regressions

To assess the impacts of three predictors on the outcome (audit quality) it has applied Multiple Regressions and the results have been summarized in Tables 5 and 6 respectively.

Table 5: Model Summary*

Model	R	R ²	Adjusted R ²	Standard error of estimate	Change Statistics					Durbin-Watson
					R ² Change	F Change	df ₁	df ₂	Sig. F Change	
1	.522	.393	.388	70.11	.577	112.33	1	168	.001	1.91
2	.889	.875	.851	67.81	.312	104.75	2	166	.000	

*Primary data

From the Table 5, in Model 1 it has used technical factor as predictor and in the Model 2 independence factor and administrative factor have been applied to assess their combined effects on the government audit. Amongst the different methods of measuring goodness of fit of the multiple regressions model, the square of the multiple correlation coefficients R² and adjusted R² have been chosen, in line with the advices of the scholars (Draper & Harry, 1998). The first column (R) has indicated the association-i.e., the simple correlation between the first predictor and the outcome calculated as .422. The second column (R²) has been valued as .393 i.e., 39.3 percent of the outcome has been represented by the technical factor. In

Model 2, the R² value has been raised to .851 which has indicated the addition of the remaining two predictors (Independence factor and Administrative factor) have contributed 46.3 percent (.851-.388) of the outcome. In both of the models the third column (adjusted R²) have produced values which are close to the values of R², indicating the models have been derived from the study population. In change statistics details, R² has been changed from 0 to .577, and that of in model 2 to .312 with significant F-ratios (p<.05). Finally, the Durbin-Watson test has indicated a score of 1.91 i.e., close to 2 which has validated the assumption of independent error.

Table 6: ANOVA Results*

Model		Sum of Squares (SS)	d. f.	Mean Square [SS/d. f.]	F	Sig.
Model 1	Regression	235789.31	1	235789.31	89.71	.000*
	Residual	866715.15	168	5159.01		
	Total	1102504.46	169			
Model 2	Regression	715789.23	3	238596.41	102.36	.000*
	Residual	574890.22	166	3463.19		
	Total	1290679.45	169			

Predictor: (Constant), Technical factor *Primary data

Predictors: (Constant), Independence factor, Administrative factor Outcome: Audit quality

Table 6 has reported the analysis of variance (ANOVA) results which have pointed out the improvement in the model fitness through F ratio. The ratio has increased from 89.71 to 102.36, significant at $p < .05$; have supported likely to reject H_{01} , and it has probably to conclude that the three factors have significant impacts on the government audit quality. The findings have correlated with the literature as far as the influence of these predictors on the

outcome has been concerned (Li et al., 2011; Dwivedi, 2011).

4.3.2 Simple Regression (For testing H_{01a} , H_{01b} & H_{01c})

To predict the individual effects of technical, independence and administrative factors on the government audit quality, it has applied Simple Regression and comparative results have been presented in Table 7.

Table 7: Comparative Model Summary Results^{a*}

Factors	Model	R	R ²	Adjusted R ²	Standard error of estimate
Technical	1	.522 ^a	.393	.388	70.11
Independence	1	.649 ^a	.296	.289	68.58
Administrative	1	.594 ^a	.017	.013	62.94

^aPredictors: (Constant), Three Factors ^{*}Primary data

Table 8: Comparative ANOVA^b Results*

Factors	Model	Sum of Squares (SS)	d. f.	Mean Square (MS)	F	Sig.
	Col. 1	Col. 2	Col. 3	Col. 4 [Col. 2/ Col. 3]	Col. 5	Col. 6
Technical	Regression	208759.13	1	208759.13	94.75	.000*
	Residual	786245.33	168	4680.03		
	Total	995004.46	169			
Independence	Regression	198576.22	1	198576.22	95.11	.001*
	Residual	804597.59	168	4789.27		
	Total	1003173.81	169			
Administrative	Regression	775341.04	1	775341.04	96.02	.003*
	Residual	987569.38	168	5878.38		
	Total	1762910.42	169			

^{*}Primary data

In Table 7, the column R has represented the simple correlation between the three factors with the government audit quality and the results have indicated for the independence factor the association is strongest. The R² values have shown the factors have explained 39.3, 29.6 and 17 percent of the variability of the outcome respectively. The results have also affirmed the highest level of importance of technical support such as on the job training and resource allocations for improving the government audit quality supporting related literature (Bronson, Masli& Schroeder, 2014). Further, Table 8 has

presented the comparative Analysis of Variance (ANOVA) results which have shown whether the models are significantly better or not than mean value for predicting the outcomes. Based on the significant results (p<.05) the study has likely to reject all the three sub-null hypotheses and to conclude that all the three factors significantly impacted the government audit quality.

4.3.3 Simple Regression (For testing H₀₂)

To predict the effect of government audit in preventing corruptions the study has run simple regression analysis.

Table 9: Model Summary Results^{a*}

Model	R	R ²	Adjusted R ²	Standard error of estimate
1	.547 ^a	.491	.445	61.25

^aPredictor: (Constant), Government Audit *Primary data

In Table 9, the column R has represented the simple correlation between government audit and corruption preventions which has computed as .547, having just one

predictor. The R² value has been calculated as .491 i.e., it has implied that government audit has explained 49.1 percent variations in corruption preventions.

Table 10: ANOVA^b Results*

Model	Sum of Squares (SS)	d. f.	Mean Square (MS)	F	Sig.
Col. 1	Col. 2	Col. 3	Col. 4 [Col. 2/ Col. 3]	Col. 5	Col. 6
Regression	211125.21	1	211125.21		
Residual	803157.30	168	4780.69	89.37	.000*
Total	1014282.51	169			

^bOutcome Variable: Corruption preventions * Primary data

Table 10 has presented the Analysis of Variance (ANOVA) results which have shown whether this model is significantly better or not than mean value for predicting the outcome. The column 4, Mean Square has been calculated dividing col. 2 by col. 3 and in column 5 the F ratio has indicated a significant value (p<.05) and the results

of the model have been reported as [F (1, 169) = 4780.69, p=.000]. Based on the results the study has likely to reject the null hypothesis (H₀₂) and to conclude that the government audit has significantly impacted in corruption preventions, in corollary with literature (Omar & AbuBakar, 2012).

Table 11: Correlations between Government Audit and Accounting Reforms*

Predictor	Outcome	Significance Value (p)	Correlation Value (r)
Government Audit	Accounting Reforms	.004**	.711

* Primary data, **p<.05

To assess the associations between the government audit and accounting reforms it has run the Pearson's correlation analysis (Table 11) which have indicated a significant relationship ($r = .711, p = .004, p < .05$) based on which the study likely to reject the second hypothesis and to conclude that the government audit likely to have significant impacts on the accounting reforms have been probably found as true.

4.3.4 Simple Regression (For testing H_{03})

The study has run Simple Regression to assess how the government audit has channelized the accounting reforms. The results have been summarized in the following two Tables.

Table 12: Model Summary Results^{a*}

Model	R	R ²	Adjusted R ²	Standard error of estimate
1	.670 ^a	.523	.517	59.38

^aPredictor: (Constant), Government Audit *Primary data

In Table 12, the column R has represented the simple correlation between the government audit and corruption preventions which has computed as .670, having just one

predictor. The R² value has been calculated as .523 i.e., it has implied that the government audit has explained 51.7 percent variations in accounting reforms.

Table 13: ANOVA^b Results*

Model	Sum of Squares (SS)	d. f.	Mean Square (MS)	F	Sig.
Col. 1	Col. 2	Col. 3	Col. 4 [Col. 2/ Col. 3]	Col. 5	Col. 6
Regression	209783.50	1	209783.50		
Residual	864570.35	168	5146.25	92.81	.001*
Total	1074353.85	169			

b. Outcome Variable: Accounting reforms *Primary data

Table 13 has presented the Analysis of Variance (ANOVA) results which have shown whether this model is significantly better or not than mean value for predicting the outcome. The 4th column Mean Square has calculated dividing col. 2 by col. 3 and in column 5 the F ratio has indicated a significant value ($p < .05$) and the results of the model have been reported as $[F(1, 169) = 5146.25, p = .001]$. Based on the results the study has likely to reject the H_{03} and to conclude that the government audit has significantly impacted in channelizing the accounting reforms, in tune with the prior study (Warren, 2014).

The study has applied inferential statistics to test the null hypotheses for estimating about the study population. It has applied Multiple Regression to test the first hypothesis and the results have pointed out significant effects of technical, independence and administrative factors on the government audit severally and jointly hence the first hypothesis likely has to be rejected. In addition to joint impact assessments, the individual impacts of the three factors have also been evaluated by running Simple Regression analysis. The significant results have also conceded the impacts of the technical, independence and administrative factors on the government audit quality hence likely to reject all the three sub null hypotheses. To assess the role of the government audit in the prevention of corruptions it has applied Simple regression and the significant outcome has provided evidence to likely reject the second hypothesis, i.e., in other words, the research hypothesis probably be accepted. To measure the associations between the government audit and accounting reforms, it has used Pearson's Correlation coefficient which has indicated a significant result. Furthermore, the trend indicated by significant Correlation coefficient outcome has also been affirmed by the significant result of the Simple Regression test and based on these the study has likely to reject the third hypothesis and has concluded that the government audit probably has significant impacts in the government accounting reforms.

Contemporary literature has indicated that primarily

internal audit has an assurance function and internal auditors are expected to carry out the function by providing reasonable assurance of the internal control system of the auditee government organizations. Ideally, internal audit has been identified as the third line of defense; the risk control and compliance oversight function as the second line of defense whereas the bureaucratic and administrative control of the government organizations as the first line of defense for protecting the public funds. Interestingly, internal audit with its limited scope unlikely to provide a reasonable assurance regarding risk identification and evaluation process and their adequacy and effectiveness. Further, the reviews of administrative and operational decisions have also been excluded from the ambit of the internal audit. Accordingly, the study has opened up a new vista for posterior research whether the government internal auditors have been compelled with transfer-phobia or political pressure to submit unqualified reports like their counterparts in corporate sectors who have been probably practicing the same in fear of losing their auditee clients.

5. Conclusion

The study has intended to assess the role of the government audit based on a recent judgment delivered by the Division Bench of the Hon'ble HC of Tripura expressing doubts about the Internal Audit Directorate's audit reports on MGNREGA scheme implemented by the RD blocks of the state. Reviewing the prior studies it has constructed three research hypotheses and a conceptual model and thereafter adopting a cross-sectional research design with a self-administered interview schedule it has gathered primary data from the randomly chosen 170 sample respondents. The scale consistency i.e., the reliability (by Cronbach's Alpha scores), sample adequacy (by Kaiser-Meyer-Olkin test) and the nature of the matrix whether an identity matrix or not (by Bartlett's test of Sphericity) have been tested based on the raw data collected by conducting a pilot study. Moreover, Factor analysis has clubbed the items into five factors which have been assigned appropriate titles. The null hypotheses have been tested using different inferential statistics and have

indicated significant results and banking upon which the research hypotheses likely have to be accepted. To sum up, in line with Zhao's (2005) three categories of influencing factors on the government audit quality the study has set a research hypothesis as well as three sub-hypotheses; further, it has assumed that the government audit has an influence in preventing corruptions and in the introduction of reforms in the government accounting system. The significant results have supported to likely reject the null hypotheses and all the research hypotheses probably have to be accepted.

In course of personal interviews the respondents have unequivocally expressed their concerns about the validity and integrity of the audit reports which have been submitted by the state's Audit Directorate. They have apprehended about the ill-nexus between the political leaders and few corrupt top bureaucrats which might have been forced the auditors to compromise with their audit processes, applied techniques and even for preparing unqualified audit reports. Moreover, the respondents have alleged that the tendency of over dependency on bureaucrats, drawing and disbursement officers' inadequate funds management knowledge and acumen, deficit in on the job training, their blind relying on cashiers, irregular updating of books of accounts, lack of digitalization, *labelabe* (which means 'go slow' in Assamese) attitudes in office automation and traditional cash basis of accounting system have been identified as pivot factors for such debacle in government accounting. Although corruptions in government departments unlikely be entirely eliminated but broad public support, vigilant civil society and dogged investigators could create phobia in the minds of the perpetrators along with stringent rules and strict adherence to that are the need of the hour. Moreover, even though public sentiment against the government audit failures in preventing corruptions in the public funds management have been highlighted in the current study, the auditors likely to point out the opportunities for corruptions. They could identify the areas where documentary evidence are inadequate, could resort to participatory auditing in the situations of collusion

between the citizen and public functionary, could insist for public disclosure guidelines for addressing the discretionary power of the public functionaries and could extend cooperation to the investigators in course of special audit. The stated efforts by the government auditors, if adopted would likely to prevent the corruptions and would restore the lost public confidence on government audit.

The study has duly acknowledged few **limitations** prior to wider generalizations. *Firstly*, the study has intended to assay the relevance of the government audit in the light of the recent Hon'ble Tripura HC verdict, hence other pertinent aspects of the government audit have been excluded from the scope of the current study. *Secondly*, the study being a perception study in its nature has used a self-administered interview schedule instead of adopting or adapting any other established questionnaire to collect the primary data. Moreover, the use of 5-point Likert scale might have attracted central tendency problem as few respondents could have put tick mark on the 'neutral' box. *Thirdly*, due to parsimony and shortage of time it has taken small study jurisdiction, study duration, study population as well as small sample size of just 170 respondents. *Fourthly*, aligned with the objective it has framed only three research hypotheses and has tested their null forms to assess the government audit role in Tripura and other hypotheses have not been generated. *Fifthly*, it has unambiguously meant by the government audit as the annual audit carried out by the Internal Audit Directorate of the Finance Department, Government of Tripura but not the audit carried out by the office of the Auditor general (AG)- Tripura, a wing of the Comptroller General of Audit (CAG), Government of India. *Sixthly*, as far as accessing the secondary data has been concerned, it has retained only academic e-journals but not any professional journals primarily written for practitioners e.g., The Chartered Accountant. *Seventhly*, the different inferential statistics which have used for testing the hypotheses have their inherent limitations which might have reduced the power of the statistical tests. *Finally*, in spite of taking appropriate preventive measures, the possibility of partial biased responses unlikely is entirely ruled out.

The study has several **practice implications** for the stakeholders of the government audit. *Firstly*, the study has raised questions on the existence of Internal Audit Directorate and the relevance of its audit reports, in a period of exposure of scams through other means like RTI replies and by Hon'ble Tripura HC's interventions in response to admitted PIL. *Secondly*, the consistent audit failures have raised severe doubts on the independence of the auditors, their capabilities in fraud detection and prevention, quality of audit works and preparation of qualified reports. *Thirdly*, the study has also indicated the professional negligence by the few bureaucrats as it has been evidenced from the Division Bench's verdict for carrying out audit by the independent private firms as well as prosecution of few perpetrators for financial scams. *Fourthly*, it has pointed out loopholes in the government accounting system, funds management, officials' lack of financial literacy and training in the context of the government funds management. *Fifthly*, statistical results have validated that the government audit has significant role in preventing corruptions in the government departments which, has its evidence at least the prosecution of a block development officer (BDO) in 2014 based on the audit report, but such audit consistency unfortunately has been failed in subsequent years. *Sixthly*, it has highlighted the importance of regular training for accounting staffs and auditors for proper management of public money and implementation of the multiple welfare schemes. *Seventhly*, the policy makers may use the reports for framing or amending policies on the auditors' training with more emphasis on the fraud detections and preventions techniques, on assaying the financial propriety of transactions and the like. *Eighthly*, the study has indicated about the weak monitoring system, lack of information networks, budget supervision which have likely been significantly contributed in breeding corruptions. *Finally*, different stakeholders e.g., the common men may use the report for enhancing their awareness levels while accessing any government scheme related benefits and to protect themselves from being cheated by the corrupt officials.

The study has prepared a **road map for further studies**. *Firstly*, the excluded variables of the study e.g., quality control of the audit process, different causes of corruptions in the government sector, auditors compensation (as good number of auditors are working in fixed pay) and its effect on the audit quality may be incorporated in future studies. *Secondly*, in future accessing the audit reports comparative vertical and horizontal studies between different RD blocks and government schemes may be carried out. *Thirdly*, studies may be attempted to investigate where frauds have been reported to unearth the causes of audit failure and to suggest the preventive mechanism. *Fourthly*, the political context of the government audit having a strand of the audit practices need to be investigated in detail. *Finally*, the scope of the government audit, commonly applied techniques and training manuals need to be evaluated in an era of rapidly changing technology, regulations and exposure of scams in the government departments by conducting surveys as well as accessing the government databases with an intention of identifying the mechanism for building a fraud-proof robust internal control system- resulting ethical quality audit practices.

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Making of a Politician Brand in India: A Curious Case of Sardar Vallabhbhai Patel and BJP

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Abstract

Political Marketing has evolved in the last few decades to become more person dependent, or politician-driven than ever. This has led to the phenomenon of politicians being branded based on electoral expectations and aspirations. While there has been extensive research on how and why a politician is branded, there isn't much work on how does a politician brand journey's through a voter's mind from the lowest level of association to the highest. This restricts the brand-building effort only to the perceptions of voter's needs and expectations. This paper explores the journey of a politician brand in a voter's mind from being unaware of the brand, to become an advocate of the brand. A framework has been presented to explain this journey of a politician brand, along with discussing a contemporary case of politician brand building in India. Extensive literature review and case studies have been used as an approach to critically analyze the subject, which is not restricted to India, but touching upon global democracies including – the US and the UK. Politician brands steadily transcend in the electorate's mind. This would help in a more concerted and focussed effort on brand building in the electorate's mind.

Key Words: Political Marketing, Political Branding, Leader Branding, Politician Branding

JEL Classification: M31, D71, D72

Introduction

Political branding, as a sub-set of political marketing, has been in existence for a long time, with political leaders being one of its significant pillars. A politician or leader brand aims at propagating a brand identity to its target audience, to create a favorable brand image in an individual's mind. An established brand image helps individuals to cut short their decision-making process and reduce associated risks. Politician branding hence is a critical aspect of the overall political marketing landscape. The literature on politician leader branding often has the trait-based or consumer-expectation based studies at its core. However, forming an image in an individual's mind is not a fleeting event. A brand goes through a

journey in the consumer's mind, transcending various stages before a positive image, it aims at, is firmed up.

Despite extensive literature available on branding and political marketing, there is a limited theoretical exploration in the direction of a brand journey in an individual's mind in terms of his association with the brand, from none to the strongest. Politician brands must be cognizant of these stages and tenets for each of the stages that affect the brand's journey. In this paper, we have tried to demonstrate this journey through a BA4 (Brand - Awareness, Association, Acceptance, and Advocacy) Funnel where each stage of the funnel represents progressive phases of a brand's journey in an individual's mind.

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Political Branding: Evolution and Perspectives

A brand is defined as a distinguished name or symbol intended to identify and differentiate the goods and services of one seller from another seller (Aaker D. A., 1991). However, (de Chernatony & Dall'Omo Riley, 1998) argued that the brand is more than just a logo for identification purposes. (Smith & French, 2009) stated that brands help people decide while reducing their acquisition risk. Political branding as a sub-set of political marketing, deals with building, managing and leveraging a brand and its brand equity throughout its life.

It is built upon the personal and cultural relationship between the voter and a political entity, which could be an ideology, party or the candidate (Kumar, Dhamija, & Dhamija, 2016). From the political point of view, the image of a political brand for a consumer (voter) can be explained with the help of the associative network model of consumer memory. The image received by the voter (based on identity propagated by the brand) (Kapferer, 2008) and the associations held in his memory concerning the brand, are stored in a memory as individual information nodes along with other details (Srull & Wyer, Jr., 1989). Such associations are held in memory of voters for political entities and are compared with each other for comparison and benchmarking purposes (Cwalina & Falkowski, 2015).

A political brand could be created based on any of the three distinct political entities – (i) political ideology, (ii) political party and, (iii) political leader. While a vast majority of voters make a decision based on the overall political package (Harris & Lock, 1996), a party leader often plays a central role in influencing this decision. The contribution of ideology has been posited to be declining, with consumer expectations a center stage (Reeves, Chernatony, & Carrigan, 2006). The rise of political leaders, superseding political party, as a political alternative has affected the voter decision making a journey.

This shift to a leader-centric democratic (electoral) system increases focuses on political leaders (or politician brands) for developing political theories and concepts (Teles, 2012). (Lott, 1986) stated that politicians are the focal entity

of political branding which helps limit opposition in the political landscape.

Politician Brands: Global Perspectives and Cases

Politician brands or branded politicians have been a long-existing phenomenon globally. Politicians have branded themselves to align themselves with the voters' expectations. Politicians are branded to give a face to the political party and be able to connect to the electoral effectively. (Smith & French, 2009) suggest that a political brand helps in providing sociological, rational, and psychological benefits to voters. It presents relationships with the help of elements of the brand or sender (physique and personality), elements of the target audience, or receiver (reflection and self-image) and the relationship (proposed and actual) between the sender and the receiver (relationship and culture) (Kapferer, 2008).

(Guzmán & Sierra, 2009) proposed a brand image framework for Mexico's 2006 presidential candidates, based on five factors (competence, empathy, openness, agreeableness, and handsomeness) of personality. These factors, which were created basis Aaker's brand personality and Caprara's candidate personality frameworks, configured the politician brand's image in minds of Mexican voters. The brand identity propagated for the candidates is based on the electoral expectations of the country. Mexican voters evaluated presidential candidates primarily on their capability and energy. A fair proportion of influence is exerted by the physical appearance of the candidate too in the Mexican elections. This combination of various elements of the candidate's personality helped create a brand image in the voters' minds. The identity hence conceived and propagated by the candidate for the voters encompassed aspects to influence the politician's brand image.

Positing on the political landscape in the US, (Henneberg & O'Shaughnessy, 2007) explained the political branding of George W. Bush during the 2004 elections. Personality dimensions play a critical role in the acceptance or rejection of the politician brand by the voter. They provide the cognitive 'cues' that act as short cuts for voters in decision

making, without needing to understand complex policy arguments (Rapoport, Hartman, & Metcalf, 1989). Voters in the USA associate themselves with a leader who is a mix of a hero and a warm person.

For a political 'product', the personality is its core feature and plays an important role in pursuing voters for their allegiance. Bush's personality was projected to match the voters' expectations of a true American leader. The identity propagated for Bush through his interactions, formal and informal, was of unreflective self-confidence and American values (personified by his golf stories).

A politician's brand image is created essentially around the personality features of the politician, which can connect to people's beliefs (Cwalina & Falkowski, 2015). While such a brand image is created to further its support among the loyalists, it also aims at capturing the attention of fringe voters or those who are not engaged with the politician (Carpini, 1999).

The 'New Labour', under the leadership of Tony Blair, swept to power in a landslide election victory in 1997. Tony Blair achieved this largely by propagating an ideology of inclusive politics, hence leaping at the ideological age (White & Chernatony, 2002). (Needham, 2005) highlighted the importance of voter perception as a measure of success in the election process and communication to the voters. It was with this objective that perceptions were created and managed with specific and targeted policy commitments to the voter groups by Blair. The differentiation sought by a politician brand does not necessarily depend upon the performance but on the attributes of the brand.

All politician brands are built by projecting a brand identity of themselves while trying to establish a favorable brand image in the target audience (voters). The link between the brand identity elements (physique and personality of the sender) and the brand image elements (reflection and self-image of the receiver) is the relationship that the brand has with the customer, which is affected by its internal culture. Kapferer's brand identity prism (Kapferer, 2008) helps one understand, how a brand positions itself in the target audience's minds, courtesy its own identity. However, if

one wants to understand the phased movement of a brand from the lowest to the highest level of its relationship with the consumer, a different construct needs to be put in place, which could demonstrate this movement across levels of brand-consumer relationships in a political scenario (least strong to most strong).

Making of a Political Brand in Voters' Minds: A Case in Indian Political Landscape

Political parties and leaders project themselves wrapped in identities that create a favorable perception about themselves in their target audience's (or voters') minds. It is especially important in the wake of the declining role of ideology in voters' decision-making process. These identities are carefully woven keeping in mind voter expectations and needs, which are backed by thorough consumer research (Reeves, Chernatony, & Carrigan, 2006).

Fundamentally, political marketing focuses on what the brand owners (politician and party) perceive their brand to be, and how they can manage key capabilities of the brand over and above that' (OCass & Voola, 2011). While it has been firmly established with the help of expansive literature that the voters rely on cues and impressions of the politician brands to make a selection to avoid complex information processing (Marland, 2013; Cwalina & Falkowski, 2015; Guzmán & Sierra, 2009; Kumar, Dhamija, & Dhamija, 2016), the transcendence or journey of the brand inside the voter's mind has largely been untouched.

A positive brand image in a consumer's mind helps it take a quick and favorable action for a brand while the negative decision helps the consumer take a quick negative action for the brand. However, the brand image established in the consumer's mind is not created in a given moment. It transcends from the lowest level of association with the brand to the highest level.

We propose the '**BA4 Brand Journey Funnel**' in this paper, to show the transcendence of a politician brand in voters' mind from the least strong relationship to the strongest relationship. The BA4 funnel is explained with

the help of a contemporary case of the current ruling party in the country, Bhartiya Janta Party (hereafter, BJP). The politician brand that BJP is trying to build and position against its main opposition party, Indian National Congress (hereafter, Congress), is Brand 'Sardar Patel'. BJP, the current ruling party in the world's biggest democracy, unveiled the world's tallest statue of the first deputy prime minister & home minister of free India, 'Sardar' Vallabh Bhai Patel on his 143rd birth anniversary on 31st October 2018 (My Gov India Fortnightly Newsletter, 2018). BJP, riding on its electoral successes in 2014 and then in 2019 Lok Sabha (lower house of the Indian parliament) elections (Sridharan, Varshney, Kumar, & Ganguly, 2014), is in one of its most successful phases since its formation in 1980 (1951, if we consider its journey from when it was Bharatiya Jan Sangh (2019)). But there's a natural handicap with BJP unlike its competitor, Congress. BJP was formed after India achieved independence from British rule in 1947. The BJP owes its founding to the erstwhile Bharatiya Jana Sangh, which was formed in 1951 by Syama Prasad Mukherjee. After the State of Emergency in 1977, the Jana Sangh merged with several other smaller parties to form the Janta Party, a single opposition against the Congress party (led by Indira Gandhi). After three years in power, the Janata party dissolved in 1980 with the members of the erstwhile Jana Sangh reconvening to form the BJP under the leadership of Atal Bihari Vajpayee and LK Advani (Guha, 2007) (Chaulia, 2002) (DiSilvio, 2007).

Of course, Congress itself has evolved majorly from how and why it was established in 1885 with A.O. Hume as its president. He formed Congress after his conviction about the opposition that the British rule faced in India, which also led to thatching of rebellion against the rule (Bevir, 2003). At that time INC consciously decided to avoid issues that could foster antagonism, including women's rights and social status. It was only after Gandhi's rise in the party that social issues were made integral to the INC. However, the core of the party was tested and changed multiple times as the party went through multiple splits owing to changing allegiances and ideologies (Low, 1988). This can be understood by the icons that the current party

holds close to itself, like Mahatma Gandhi, Jawaharlal Nehru, Indira Gandhi and Rajeev Gandhi who were not intimately associated with the establishment of the Indian National Congress. There are no mentions of A.O. Hume or SD Banerjee, the founding fathers of the INC. Congress in its current form was a breakaway faction from the erstwhile Indian National Congress, which was later recognized as the INC by the Election Commission (EC) (Mukherjee, 2011) (Hardgrave, Jr., 1970). However, it has been successfully able to create a perception among the masses as one of the oldest party of the country that fought for independence and has been there for more than a century.

Unlike Congress, BJP does not have a pre-independence 'freedom fighter' leader brand name associated with itself. Congress, on the other hand, has always enjoyed the advantage of 'owning' the biggest leader brand of this country ever, Mahatma Gandhi (hereafter, Gandhi). BJP, hence to have its challenger brand to give it a historical significance, needs to build it from scratch, to build a credible image for itself in the mind of the masses, the same way as Gandhi has helped build for the Congress.

A distinguished brand would help it enjoy the benefits associated with this brand i.e. loyal supporters and brand advocates (LLC, 2016). However, a brand is built after a long-term brand building endeavor that gets stronger with time while going through various challenges and keeping up with its brand promise. Gandhi has been associated with India's independence which is considered as the biggest milestone in the country's journey. This association has made BJP's job even more difficult, as the challenger brand had to show an accomplishment almost as big as winning independence. What could it be?

To manage this, BJP for the last six years while it has been in power, has been making conscious attempts, to build on the persona and ideology of one of the Congress' tallest historical leaders, Sardar Vallabh Bhai Patel (hereafter, Patel). The dedication of the world's tallest statue of Patel, also known as the 'Iron man of India' was a step in this direction. In a typical sense of keeping all eggs in one basket, Congress has overtly been dependent upon Gandhi

and to some extent on the first Prime Minister of free India, Jawahar Lal Nehru (hereafter, Nehru) to have a historical brand associated with itself. BJP sensed this overreliance of Congress on one or two brands, while ignoring other possible brands, and embarked on the journey of creating Brand Patel for itself. When India won its freedom in 1947 from the British rule, it was a tattered group 565 princely states, many of whom wanted to remain independent. It was Patel who successfully executed the mammoth task of bringing these states, fiefdoms, and cities together and integrated them into what is today a single unified country, India (Singh, 1986).

BJP's strategy is not only to build upon its own set of popular leaders like Atal Bihari Vajpayee but also add to its list the leaders from Congress which have been neglected by Congress i.e. Sardar Patel.

The BA4 Brand Journey Funnel

The choice of BJP in harnessing Patel to build a brand in the voter's minds is hardly surprising. The choice of Patel emerges from a host of reasons. Not only the fact that Patel was the actual choice to lead the country as prime minister because he was chosen by the PCC (Raghavan, 2016) over Nehru but was side-lined to push Nehru ahead

is a very strong plot for the BJP.

His strongman image and bias towards action and unity are some of the other factors that could come to aid the strategy (Singh, 1986) (Sharma, Singh, & Singh, 2015) (Building a Nation, 2019) as these may find resonance with BJP's image projection of a 'do-er' (Mehta, 2016). A political leader brand transcends through the voters' minds in various stages.

Each stage has an entry point, external and internal factors driving the journey of brand and an exit point. We propose a brand journey funnel that shows this journey of a brand in people's minds. The brand transcends from people being unaware of it to finally become advocates for the brand. This journey goes from Brand Awareness to Brand Advocacy, through two intermediate stages, which are Brand Association and Brand Acceptance (hence, BA4). Each of the stage's outcome is the entry point for the next stage.

Brand Advocacy, in turn, completes the loop by feeding back into the Brand Awareness, Brand Association, and Brand Acceptance stages. We shall understand the BA4 Brand Journey Funnel further with the help of the political scenario introduced above.

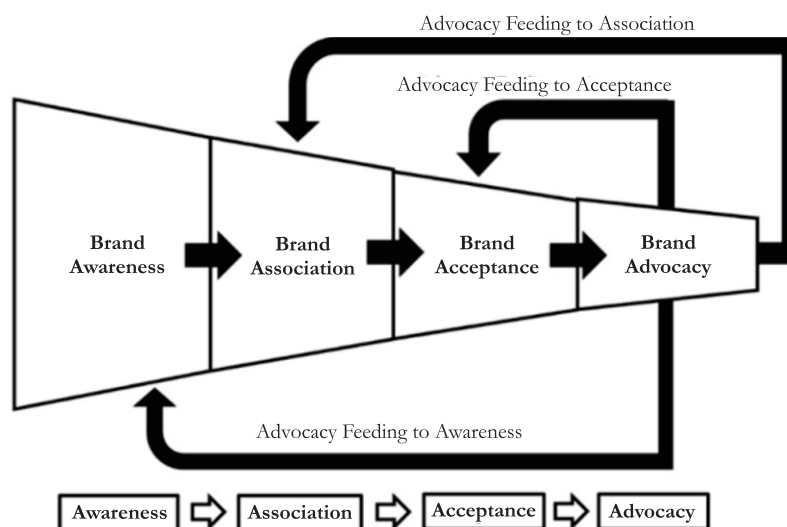


Figure 1: BA4 Brand Journey Funnel explaining the journey of a politician brand in a voter's mind
 Source: Authors' Representation

Brand Awareness: Brands aim at creating brand equity for themselves by achieving a high level of awareness and familiarity with the brand among the target group (Keller, 1993). Voters are exposed to various politician brand across their lifetime. Exposure to a brand through various mediums and messages forms the basis of brand awareness. Brand awareness sometimes can be critical in influencing the purchase decision of a consumer (Keller, 2008), and is often cited as the foundation of brand equity of a brand (Kotler, Keller, Koshy, & Jha, 2013).

While recognition and recall, two components of brand awareness, have each a different trigger and source, based on the exposure of the consumer to the brand, brand awareness is generally a function of repeated exposure. The exposure could be to the whole brand or its elements, and the medium of exposure could be advertising, promotion, sponsorship, events marketing and public relations (Keller, 2008).

However, in the political landscape, the choice made by a voter is a serious one, even though he has to live with the collective choice which may not be his own (Harris & Lock, 1996). Unlike recognition, which is a factor of repetition of exposure, recall requires linkages in the memory to the appropriate category of the brand (Keller, 2008). These linkages are created in the voter's mind based on implicit and explicit messages from the brand as well as through discussion and exchange of thoughts within a closed group of the audience like friends, family, and acquaintances. Brand awareness itself is not a binary feature, but a continuum. The brand awareness moves from the lowest stage (unaware) to the highest stage (top of mind).

A systematic and significant effort is expended by the ruling BJP in exposing voters to the stories, struggles, and contributions that Patel made towards the country. The messaging has been consistent with Patel being a national leader, who did not get his due from the Congress to keep Nehru and his successors in the forefront (Business Standard, 2016). While the messaging was reinforced by various stories, the communication was kept alive on discussion, news reports, public relations corridors and

even mass media (Business Line, 2018). Patel's statue that was dedicated to the nation in 2018 was in the same line, to make the nation aware of Patel and encourage discussion around his contribution to the country, while also invite views on his treatment in the Congress. Researches have shown that recognition alone can result in more positive feelings for brands and even people (Aaker D., 1996).

Political marketing tenets as propounded by (Kotler, 1975) suggest that building a political brand requires the hopeful (politician) has to place itself in the voter market, just as the product is placed in the consumer market, and appeal to the consumer by communicating vigorously the right image.

The placement of Brand Patel by BJP in the voter market as a challenger brand to the long-entrenched Brand Gandhi belonging to Congress was also a part of a systematic strategy. This was keeping in mind the rise of consumer-driven politics (Reeves, Chernatony, & Carrigan, 2006) and the importance of political leader's relevance for the voters (discussed in 'Acceptance' stage).

While awareness is the first step for a brand in the brand journey, it in itself cannot encourage the consumer to make a decision (Aaker D., Managing Brand Equity, 1991). Brands have to instead manage strategic awareness or being remembered for the right reasons and avoid being remembered for the wrong reasons (Aaker D., 1996). This is of higher significance for a political brand as brand salvage is much more difficult for a person brand than for a product brand.

It is worthwhile to mention that BJP has managed to play down Patel's views about Rashtriya Swayamsevak Sangh (hereafter RSS), which is the ideological parent of BJP. Also, Godse (who assassinated Gandhi) was affiliated to RSS, and Patel had sharply criticized the organization in the past for the same. These aspects could turn out to be detrimental to the BJP's strategy to work for them.

Brand awareness, which itself is a factor of internal and external drivers, is a critical but an exploratory stage of the building of a politician brand in voter's minds. A brand creates linkages and finds engagement with the target

audience, i.e. voters during the Brand Association and Brand Acceptance stages.

Brand Association: It is during the Brand Association stage in the BA4 funnel that the brand aims to create an association with the TG, i.e. voters. Before associations with the TG are sought by the brand, it has to conceive a brand story, which will resonate with the TG.

While brand awareness alone is enough to create favorable consumer response, in most cases the strength, favourability, and uniqueness of brand associations play a critical role in determining the differential advantage among the brands (making up for a brand's equity) (Keller, 2008), that leads to the selection of the most preferred brand. The association plays a significant role in creating customer attitude towards a brand, and it delves on the intangible, emotive and softer- aspects of the brand.

Since the association hence established is emotional, it is imperative to understand the latent needs of the voters, which is also emphasized as an essential of political marketing (OCass & Voola, 2011). People associate with brands that they feel are like themselves and what they aspire to be. Voters are naturally inclined to support a politician brand which they feel has similar

sociodemographic, ideological and partisan traits (Marland, 2013). Voters identify with and can associate better with political brands that resonate with their thought process and also have ideologies that are similar to themselves. The association with a political brand can even go up to an extent when a supporter thinks of himself as an extension of the political brand which he supports (Kumar, Dhamija, & Dhamija, 2016). Hence, the association is doing with how similar the voter thinks the brand is to himself. This is done based on the political brand identity that is propagated through the brand's physique and personality.

Using cognitive psychology to explain consumer's perspectives towards the creation of a brand, (Smith & French, 2009) postulated that consumers form stronger and more impactful associations with the leaders who can communicate a more identifiable personality. While brand physique is the overall perception that is formed around their physical (leader's gait and posture etc.) and sartorial attributes (leader's attire and accessories etc.), personality often reflects the symbolic representation of different ideologies and values that forms the political brand (Forgas & Kagan, 1977). The politician brand image thus received by the voter (which in itself is a combination of reflection with the brand and self-image) finally forms the specific associations with the brand. These associations play an important role in the final acquisition decision. The brand image adds a layer of emotional connection, with the brand that works deeper than the functional utility of the politician brand (Scammell, 2007).

Lincoln's elongated neck portrait and Vladimir Putin's bare-chested fishing outing are all part of brand image building to create a favorable association with the TG. This is in line with the outcome of many types of research which have established that voters rely on impressions of a leader's personality and heuristic cues to make decisions (Marland, 2013). The relatability of the political brand with the TG is a key aspect of Brand Association. Relatability is built based on an understanding of specific and latent demand of the TG and forging an identity that fits seamlessly into the voter's imagination of the political brand. Political brand identity helps in creating distinctions that help build specific associations that support decision making. Emotional aspects and personality traits portrayed about the leader communicated through the brand identity play a critical role in building brand association' (OCass & Voola, 2011).

¹Brand Attitude is a sum of each attribute belief strength multiplies by its favorability (Keller, Strategic Brand Management: Building, Measuring, and Managing Brand Equity, 2008)

²Refer Kapferer's Brand Identity prism for more on Brand Physique and Brand Personality (Kapferer, The identity prism, 2008)

Practically, the question that the voters ask is –"Is the brand like me?" Hence, the brand identity portrayed and the brand story that is conceived for the politician brand should be able to favorably answer the above question. A political leader brand is formed in the minds of the voters if there exists a relatability with it, from the TG's perspective. Distinct brand identity and a relatable brand story in context with a politician leader brand can be a factor of life story, ideology, lifestyle and even an unjust treatment that may invoke sympathetic emotions towards the politician brand. We first look at these factors theoretically and understand them with the help of the building of Brand Patel in India's political landscape.

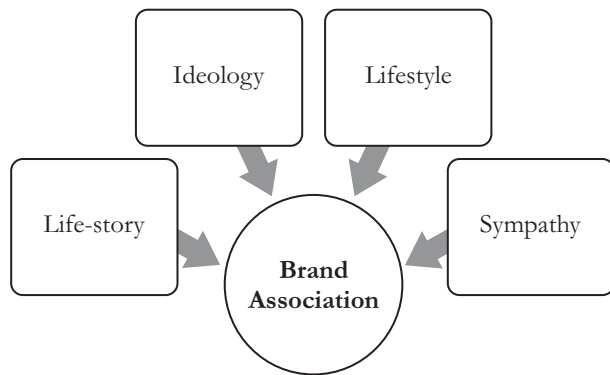


Figure 2: Drivers leading to Brand Association

Source: Authors' Representation

Life story: Everybody likes an inspiring 'rags to riches' turn-around story which brings out the struggles of the leader. A country that earned freedom, but had the little resource to support itself, the widespread problem of scarcity, a difficult childhood and a struggle to make ends meet had been a common attribute of majority of people. Even for the young, who themselves may not have gone through this resource-stricken phase in their lives, the reminiscent stories of their parents and grandparents have kept this emotion of scraping through scarcity alive.

The narrative based on such a story hence is an easy way to build an association with the TG. It is equally important how the story is told to the audience which is easy to understand and absorb (Mucundorfeanu, 2018).

This particular approach also helps in creating an acceptance (explained further in the section) among the TG by demonstrating the functional and hard skills that would have helped the leader overcome the hardships and make a better life for himself. Another aspect of the leader's life that influences the TG is the individual's self-concept which is reinforced through the politician brand. Association between the brand and the TG is also established when an individual identifies with the life story of the brand which he inherently admires and aspires to be like. This suggests that association is easier to be made with a brand whose life-story is consistent and congruent with the individual's self-image (Smith & French, 2009).

Ideology: Brands cannot afford to sit on the side-lines hoping to be neutral and be acceptable to everyone. In his interview published in 2019, Phil Knight, the iconic co-founder of Nike said – “You can't try and go down the middle of the road.

You have to take a stand on something” (Snyder, 2019). However, in a conflicting view, (Freeden, 2006) suggested through his 'trap of ideology' comment that too strong an ideology leads to dreadful results in politics and leaders with a strong ideology propagate “...ideology as an instrument of 'totalitarian seduction', an all-encompassing system of ideas based on a 'single truth' and a drive for self-justification...”. This position establishes the need to be more balanced in the ideology that is adopted and communicated. Ideology as an attribute of branding is especially important not only when consumers are more committed to the cause (Massa & Testa, 2012), for example, politics but also in seemingly mundane choices (Khan, Misra, & Singh, 2013). Ideology plays an important role in building consumer brand attachments and acceptance (Chan & Ilicic, 2019).

While a political leader needs to take a stand to create an association with its TG, at the same time, the ideology, in case of a political brand, should not be too far left or too far right, which ends up alienating a big segment completely irreparably. More importantly, a political leader needs to choose the right TG for itself and then be acceptable to everyone in that TG.

It is essential to resonate with everyone in the chosen TG while ensuring that you don't alienate others irreversibly. This is line with the research done by (Dean, Croft, & Pich, 2015) who suggested that political parties (brands) evoke certain emotional connectivity among those who identify with their philosophy and ideology. The integration of the country and the nationalistic commitment behind the mammoth exercise which has been associated with Patel also suits the BJP which has nationalism as one of its key ideologies. This makes it easy for them to seamlessly integrate Patel's brand identity with their own.

Lifestyle: Association is a factor of relatability. A politician brand always tries to maintain that relatability with its TG. Voters look at how close the politician is from themselves. This observation is continued to be made even after the selection has been made by the voters, irrespective of the election outcome. Leader lifestyle plays an important in shaping voter perception positively or negatively. Leaders who are seen to have a non-pretentious lifestyle restricting luxuries are well accepted by the Indian voters, for the simple reason that these leaders are seen closer to themselves. There is a strong connection between the leader attributes and its impact on how the brand is perceived by the audience (Doss, 2011). Patel's arduous childhood and commitment towards peasants, laborers and the country as whole (Kusum, 2017), a strong secular ideology with a dash of patriotism (Sharma, Singh, & Singh, 2015) and a simple lifestyle despite being the deputy prime minister and home minister of the country made his association with the TG convenient.

Sympathy: When a leader is projected as someone who was wronged by the elite, or system or fate, it is bound to attract sympathy. Sympathy, in more than one way, helps in building an emotional association with the person in question. It also helps in curating negative emotions towards the 'perceived' wrongdoer against the person. An unjust treatment meted out to a leader by the rich and powerful is just the right narrative for people to rally behind the leader. Such a narrative builds a common sense of purpose for cross-segment voters to resurrect the 'wronged' leader. People attach their emotional self to the

leader who is portrayed as being side-lined or not given the right due etc., because of a selfish individual or reason. (Gilsinan, 2014) Voters rally behind such a leader because they vicariously want to fight the injustice meted out to the leader.

Patel had to withdraw his name from the claim of president-ship of Congress party (& hence for the first PM of free India) on Gandhi's insistence as Nehru was Gandhi's preferred choice, although Patel received more votes than that of Nehru. In fact, out of the 15 PCC members (Pradesh Congress Committee, or the state-level units of the party) who were to vote for their preferred candidate, no one voted for Nehru while Patel got 12 votes (Raghavan, 2016). Further, Patel was bestowed with the country's highest civilian award posthumously in 1991, 41 years after his death in 1950.

The delay in awarding him the award raised eyebrows and intention of the Congress was questioned. It was blamed to be side-lining political leaders from non-Nehru & then non-Gandhi family, as in the case of Patel who was given a conscious snub (The Economic Times, 2017). The narrative created due to this was of sacrifice by Patel (to let Nehru become the prime minister) and of unfairness (delay in the award of Bharat Ratna to him, especially when Nehru and his daughter Indira Gandhi received the award much before Patel, while the third in line prime minister from the Nehru-Gandhi family, Rajiv Gandhi received the award in the same year as that of Patel) (Open Govt Data (OGD) India, 2019).

This created a strong sense of unfairness meted upon Patel in people's minds and hence strengthening the association with Brand Patel. BJP tore into Nehru's personality while giving halo righteousness to Patel's personality using this narrative.

Brand Acceptance: While Brand Association creates a relationship between the brand and the TG, the customer need not necessarily choose the same brand. Brand Acceptance, which is the next stage of the BA4 funnel, is the real test of the strength of the associations formed between the brand and the TG. It is in the Brand

Acceptance stage is where the user makes a purchase or acquisition or voting decision. The decision is a factor of the strength, favorability, and uniqueness of association with the brands (Keller, 1993), as well as of specific factors that drive a voter to accept a brand as a preferred one. The consumer (or voter) makes this choice after forming a brand's image in his mind which is a function of brand identity that is propagated (Kapferer, 2008).

It is in this stage that the efficacy of the brand identity and the relatability of the brand story is tested. A favorable outcome for a brand will be for a voter to either vote for the politician brand or attach himself with the party or ideology that the brand seems to support.

There can be an instance where people may form an association with a brand but need not necessarily accept (acquire) it (or vote for it). (Zaccaro, Kemp, & Bader, 2003) discussed the extent and magnitude of the leader's trait on leadership while in another paper (Zaccaro, 2007) tried to predict leadership behavior based on combinations of traits and attributes

This brand image is, in turn, a factor of what consumer believes about the brand, irrespective of the brand identity that is propagated by the brand. In an age where there are multiple brands, and more than one brand may be able to make an association with the consumer, a brand must offer relevance, credibility and contemporaneous to its offering to move from the consideration set (due to association) to the purchase decision (hence, acceptance) (del Blanco, 2010).

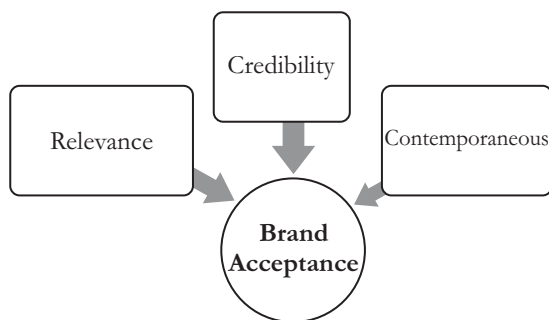


Figure 3: Drivers leading to Brand Acceptance

Source: Authors' Representation

A successful brand, no matter what it is, has to be unique and should be differentiated from its competitors (Needham, 2005). Brand Acceptance depends upon multiple factors that drive the acceptance of a politician brand in the electoral's mind. These factors are essentially based on the brand's offering (over and above the brand identity that is propagated). We first have a look at these factors theoretically and then understand these in context with Brand Patel and Indian political landscape—**Relevance** – While brand association helps TG to build a connection with the brand, for acceptance of a brand, the TG looks for the brand's offering to answer the question – Is the value offered by the brand relevant to me? Simply put, does it satisfy my needs? The politician brand has to perpetually ensure that everything involved with the personal brand becomes and remains relevant (del Blanco, 2010). While relevance per se is an individual aspect, where every voter may have a different expectation and hence may deem a brand relevant or not, based on his judgment, it could still be managed by an efficient segmenting and targeting exercise. The selected segments can then be targeted for communicating the leader-fit based on their expectations and hence making a politician brand relevant to them.

Patel was also a known peasant and labor leader who fought for livelihood and better compensation for peasants and laborers, first in Gujarat and then nationally (Kusum, 2017). Farmer politics is picking up in the country and his work for the community could give an association benefit to the BJP government, in promoting itself as a pro-farmer party. For the TG on the other hand, Brand Patel has always been relevant (through his ideology and work), which has gained more importance and relevance in the recent times when there is a widespread debate on nationalism and its definition.

In a political spectrum where each political party has a core and a non-core agenda, nationalism and culture-based unification are one of the core agendas of the ruling BJP. The debate on nationalism has also been kept alive that would keep the focus of the whole nation on nationalism, which helps BJP connect with its TG with ease. Hence,

Patel's nationalistic posture with a farmer-friendly image certainly makes him a very relevant brand in the current scenario for voters. Agriculture, despite its lowest contribution in terms of value, has the highest number of people dependent on it for livelihood, directly and indirectly. Farmer's distress and importance of farmers in the building of a nation, make rural population and urban dwellers equally accepting of the idea of farmer-friendly leaders and ideology. Political parties, hence always keep farmer's issues as the core of their narratives and manifestos for creating political brands in the country

Credibility – A customer aims at reducing his acquisition risk while making a purchase decision. The credibility of a brand helps build trust between the brand and its TG, which essentially reduces the risks associated with the acquisition of the brand. The question that the customer asks is – Is the brand honest in making and keeping a promise? Again putting it simply, does it do what it says?. This is a critical factor for a politician brand as politicians worldwide, especially in the sub-continent, are not trusted by the electorates largely. This is usually on the account of over-promising and under-delivering, which is an epidemic issue.

A politician brand that is deemed credible, hence, has a significant differentiation against other competitor politician brands. This is in line with various researches that have linked the credibility of the brand endorser to the positive association and purchase intention among the consumer (Wang & Yang, 2010) (Aghdai, Dolatabadi, & Aliabadi, 2012).

Patel's commitment in building a unified India and exemplary success in achieving that promptly (note that Sardar Patel died within three years of India's Independence) speaks volumes about the credibility of the leader (Tandon, 2019). The geography of India with territorial and administrative continuity and integrity has often been acknowledged as Patel's doing along with three other key persons – Lord Mountbatten, Jawaharlal Nehru, and V.P. Menon (Building a Nation, 2019).

As a principal driving force for a unified country, Patel was an excellent administrator which made him attended to the complex and sensitive challenge of partition and successfully led the charge for the unification of the country (Singh, 1986).

The first president of free India, Dr, Rajendra Prasad, famously wrote in his diary – *'That there is today an India to think and talk about, is very largely due to Sardar Patel's statesmanship and firm administration.'* (Building a Nation, 2019). Hence, Patel's image as a credible politician brand is widely accepted by the country, as his role as a shrewd strategist and an able executioner have both been acknowledged too. This makes him a trusted politician brand for the TG.

Contemporaneous – Automation and technological benefits have led to fast obsolescence of differentiation among brands. At the same time, consumer needs are evolving fast due to changing lifestyles and global exposure. Brands need to remain contemporary by transforming themselves from time to time to satisfy ever-changing consumer needs (Ghosh & P, 2019). Further, the rise of social media has added to the shorter shelf lives of brands and dynamic consumer behavior. This has added to the pressure for brands for being contemporary (Biswas, Ingle, & Roy, 2014). Technological advancements have also had strong political implications which have been discussed by (Malik, 1982) which has fastened the diffusion of information and perception among the TG.

Politician brands are usually in the system for a long time before taking up a central stage. Also, politician brands are made through a long history in the political landscape. This requires them to be agile in adopting and adapting to newer norms, issues, needs, and expectations of the electorate. The youth of the country grew up during the liberalization era and have seen the country grow frantically at a pace never seen before. Their expectations are different from what used to be their parent's expectations. They seek a decisive leader who can take decisions and execute them promptly while bringing everyone together (Kwatra &

¹Between the years 1947 and 1949, 565 princely states were integrated to join the Indian Union in record time (Building a Nation, 2019)

Bhattacharya, 2019).

Patel's image of a strongman who delivered result is that aspect of a personality that is more alluring to the youth of this young country that adds 2 crores, new voters, every year (Sharma S. N., 2018). To add, Patel delivered the promise of unification in a structured manner by taking everyone together, which has ensured that the integration did not fall apart once he was gone. Another aspect in this relation is the subject of nationalism which has struck a chord with the young voters who discuss the implications of nationalism (good and bad) at various forums, online as well as offline. In this scenario, the idea of patriotism & nationalism, and the idea of one nation as propagated by Patel makes his ideology and vision very contemporary for the young voters.

Brand 'Patel' smoothly manages to transcend through this phase of the brand journey. BJP, which is a right-wing party with nationalism as one of its core agenda, could not have asked for a better brand icon. Patel was a tall political leader who unified free India and was identified as a patriotic leader, who believed in the idea of one nation and saw through the integration of the country with strategic intent and efficient execution. In Patel, BJP found an icon who valued and pushed for nationalism and unity across regions of the country (Sharma, Singh, & Singh, 2015). Brand acceptance is the moment of truth for a politician brand. For all the strategies related to a politician brand's identity conception, communication, and delivery, to form a favorable image in the TG's mind, it is the acceptance of the brand that finally matters.

Awareness and association, while are key for a brand to succeed, the brand acceptance 'is' the success. However, once the TG is aware of the brand, it forms an association with the brand and has finally accepted the brand, it's time for the brand to take the relationship with the TG to the next level. This is driven by more than just the functional and emotional factors. Brand Advocacy for a politician brand leads to an organic expansion of the brand beyond its existing TG.

Brand Advocacy: With the acceptance and selection of a

political brand, a politician brand not just achieves a follower (or a customer), it also achieves a brand ambassador. Word-of-mouth is a critical piece of any marketing strategy. What customers (or followers) say about the brand is more important and holds greater significance for the potential customers or fence-sitters, than what the brand says about itself (Cebrzynski, 2005). Brand Advocacy is achieved when its customers (or followers) advocate for the brand and help it expand in the segments which have not accepted the brand as yet. Followers, now connected with their co-followers discuss how they feel about a politician brand. This can largely influence the overall perception that the TG has about the brand (Kumar, Petersen, & Leone, 2007).

This effort by the followers of the brand, which is often dubbed as word-of-mouth or C2C (customer to customer) communication, plays a critical role in creating awareness and encourage brand choice (brand acceptance) (Lawer, 2006). A trusting relationship that is beyond self-indulgence (followers or customers who don't keep their allegiance to themselves, but rather share it with others) helps a brand to ensure stable and strong followership as the strong followers less likely to switch to the competitors. Not just because they are loyal to the brand, but because they have advocated for the brand in the social setting (Urban, 2004).

While Brand Association creates an emotional relationship between the brand and the TG, and the Brand Acceptance creates a transactional relationship driven by functional and utility-based factors, Brand Advocacy is about creating a sustaining mutual trust for the long-term. It encourages followers (or customers) to propagate a brand's ideology and values to others with compassion, without any monetary benefit. While values are inherent aspects of a brand's personality, trust is a function of promises kept by the politician brand and the expectations met of the supporters (or customers).

When the expectations are met, and the brand can build trust with its TG, followers take it upon themselves to spread the word about the politician brand. The last block of the BA4 funnel, Brand Advocacy, is the result of a long

term association and acceptance (in the form of loyalty). While advocacy is an enduring phenomenon, it requires a well-thought-of 'Advocacy program'(Knox, Pralle, Sayre, & Visser, 2011; Kumar, Petersen, & Leone, 2007; Walter, 2013) which goes beyond short wins through incentivization. The efforts related to advocacy are systemic and require understanding the core of the brand and the TG.

It is formed in consumer's mind through a step by step process like a funnel starting from awareness, then building favorable associations with the TG, then ensuring the acceptance of the brand and finally becoming advocates for the brand. Advocacy (which is naturally nurtured through the strong relationship between the brand and the TG) is especially significant in the case of the high involvement brands and services (Lowenstein, 2016), as a political leader. In the case of politics, advocacy is high where people support and advocate for political leaders and parties of their choice. Favorable discussions are initiated and managed not just in closed informal groups like friends and family, but also in closed formal groups like colleagues and business acquaintances, and also in unknown informal groups in public settings like trains, buses, and restaurants.

Sardar Patel was known to be a patriotic leader with a strong report card on accomplishing the unification of the country (Building a Nation, 2019). Information consumed by people in India has been fairly consistent on the subject of Patel's contribution to India's freedom movement as well as in the country's integration post-independence. Heroic and positive communication around Patel has helped people build strong and enduring emotions like trust and respect for Brand Patel. Advocacy for Brand Patel comes naturally for the people of the country, but BJP carved out an identity for him that made him look closer to the current day BJP than to the Congress. To add, the narrative of being 'wronged' by Congress party and Nehru (which is being propagated with a strong push by the BJP) adds to the anti-Nehru case that BJP has been pushing in its communication to people. It also strikes a chord with people of the country who emotionalize the "Truth

prevails in the end" phrase and hence would like to "resurrect" the glory of the 'Ironman of India'. (BBC News, 2013; Tripathi, 2018; The Asian Age, 2018).

Advocacy for a brand is not an isolated event as it supports the other three stages of the funnel. It reflects a positive word of mouth which has the potential to change the perception about the brand. Brand advocates feed into the other stages of the brand funnel by voicing their views on various platforms. Brand advocates discuss brands and factors affecting these brands in front of people who are not aware of the brand, hence expanding brand awareness of the TGs. For a set of people, the brand is in the awareness stage, but the association is missing due to a lack of knowledge about the emotional aspects of the brand. Brand advocates discuss and put across these aspects of the brands with the aware-but-not-associated audience. This helps the brand's awareness evolve into an association for the aware-but-not-associated set of people.

Finally, functional and utilitarian aspects of the brand are critical in acceptance of the brand by the TG. Brand advocates help in filling that information gap for the TG which is aware of but is still at arm's distance when it comes to accepting the brand (or voting for the brand). Brand advocates present the brand as a viable and efficient alternative as compared to the other alternatives. Since they are not associated formally with the brand or the politician, they are accepted as more credible by TG (or voters). A healthy discussion, initiated by brand advocates in formal and informal settings helps TG to transcend into the next stage of the brand funnel, the brand acceptance, which in turn, based on factors discussed earlier transcend to brand advocacy itself.

Conclusion and Discussions

Politician Branding reduces the perceived risks associated with choosing a particular politician or his ideology for voting in. Hence, a politician brand tries to create a positive image in its target audience's mind, which eases the decision making for the individual. This image is a function of the brand identity that the brand propagates to its target audience. The brand transcends through four critical

stages in an individual's mind before it gets firmed up as a preferred and recommended brand.

This journey of the brand from non-known to an advocated one can be represented by a BA4 Brand Journey Funnel where a politician brand transcends from a state of non-awareness (lowest level of brand-customer relation) to advocacy (highest level of brand-customer relation) influenced by a multitude of factors. There are various factors under each of the four stages which lead to the transcendence of the brand from the lowest level of association to the highest level of association, namely – awareness to advocacy.

Fortunately for the BJP, Sardar Patel's identity and traits come close to the current ideology of BJP, at least on the idea of nationalism and national integration. This has helped BJP to not only cement its standing as a nationalistic party but also present itself as the right extension of Brand Patel in current times. In the Indian case, as discussed in this paper, while BJP has been doing well to own Brand Patel, the dilemma with the Congress is deepening. It has its power brand in Mahatma Gandhi, which people still believe in.

What is missing specifically is a convincing brand story with a strong promise, which is relevant as well as contemporary for the current TG. It needs to start its brand story conception with a question – Do young voters identify with the ideology propagated by Gandhi, and to what extent? Do they find Brand Gandhi relevant and contemporary as far as their thoughts and aspirations are concerned? On the other hand, the dilemma is, if they want to bolster Brand Patel themselves to keep it to themselves, which may mean diluting their association with Brand Gandhi or Brand Nehru?

Marketing is often called the battle of perceptions and it's true concerning the Congress' problem in this context. With Brand Gandhi, the problem is not the brand, but the communication which might need a re-jig to make it more relevant, contemporary and resonant to the audience. Till that happens, BJP will be more than happy to create and harvest Brand 'Sardar Patel' as its challenger brand. While

the paper takes up the building of the politician brand with a specific emphasis on Sardar Patel and how BJP's endeavor is towards achieving its strategic objectives towards the same for its advantage, the theoretical framework can also be extended for more generic applications.

Political Marketers have the job cut-out for them to create a successful politician brand in the head of the electoral. Formation of a politician brand through a strong positioning and effective communication could sustainably help the political entities. However, while understanding the stages of brand transcendence also helps in creating a distinct identity for the brand in question, it is not the first step of this exercise. A thorough and meaningful analysis of electoral and its expectations are a key to a successful brand transcendence. Without exhaustive electoral research, politician branding will be a fallible exercise.

To some extent, the same story is being played in the current realm of politics in India too, with the incumbent prime minister Narendra Modi on one side with BJP, while the Gandhi scion Rahul Gandhi on the other side with Congress. A politician brand must craft a credible brand promise and a relatable brand story to propagate an identity, which results in a positive brand image for itself. Thorough planning and execution around the tenets of BA4 Brand Journey Funnel, as discussed in this paper would help politician brands to not just earn support and votes, but also create brand advocates who help the overall momentum of their brand.

Ending notes

With the BJP government's second stint at the center, the efforts to associate itself with Brand Patel have accentuated. They have also been concrete effort to create more such brands for itself, like that of Subhash Chandra Bose, With a strong resolve to create historic 'hero' brands for itself and a party organization which is at its strongest, these attempts are only going to become more coordinated, structured and stronger. BJP continues to push forward towards its endeavor as discussed in this paper, with another addition to the list of monuments

dedicated to Sardar Patel. The world's largest cricket stadium is going to be inaugurated by the US President, Donald Trump during his visit to India. The stadium is named after Sardar Patel and is called Sardar Patel Gujarat Stadium. It is located in Motera, near Ahmedabad, in the Indian state of Gujarat, the home state of Prime Minister Modi. How successful these attempts prove to be finally, and how much electoral leverage they can have with this strategy, will be seen in the coming times, and future elections.

Voter breaks up and the impact of such a brand-building effort could be monitored over some time to understand the efficacy of such a strategy. Quantitative research on the audience sentiment could be taken up as a further study to the current subject.

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Honda Activa– The Revival of Scooters in India

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Abstract

This case deals with the factors which led to the rise of Honda Activa – the first unisex scooter in India. It highlights the importance of decision making and an in-depth understanding of customer behaviour for the success of any product. The case further explores the future challenges which Honda MotoCorp faces due to BS-VI norms and electrification of automobiles in India and probes the dilemma the company faces, as to whether to continue with the conventional model of scooters or invest into their electric version. This case has been written based on secondary data and magazines, websites, journals have been referred for this paper. The case highlights the factors which led to the growth of Honda Activa and the decision-making skill of the management which led to the revival of the ailing scooter market in India. It also explores the business model developed by HSMI and the challenges it faces in the future due to the implementation of BS-VI norms and electrification of two-wheelers in India. Since the case is based on secondary data, there is room for further updating on facts and figures about the company. The case highlights the needs to understand the requirement of the target customer which can lead to the success of the products. This paper fulfils an identified need to study the latent demand of automobiles users in the country.

Key Words: Automobile, Scooter, Positioning, Activa, Brand, Market share

Introduction

Success is no accident. The secret lies in being ready when the opportunity comes and Honda's is not an exception. Its stupendous growth has mesmerized the business community and paved a new chapter in the automobile industry. Bajaj Automobiles which pioneered the scooter business in India, laid it to rest, citing poor response and Honda motors picked up those threads and brilliantly turned the conundrum into a gold mine. The success story has been cooked with a flavour of risk, precise planning and garnished with innovative product targeting the right segment of consumers. India is the largest market for two-wheelers provided ample space for companies to grow

fruitfully. When Bajaj Automobiles aimed to become a complete bike solution company, Honda revolutionized the market by introducing gearless four-stroke scooters. Initially, majority players were sceptical about the plunge in the dying scooter market but later the bandwagon was joined by all major players barring Bajaj Automobiles. Honda Activa became a generic brand in the scooter market and was benchmarked by rivals who launched their version of gearless scooters. At present Activa has surpassed the sales figure of iconic Splendor and became the largest selling two-wheeler in the world. This case explores the factors which led to the exponential growth of Honda and tries to unveil its future course of action.

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The Background:

Indian roadways have a history of scoring very poorly on the global quality index and the burgeoning population has further added to its woes. The transportation system in India is highly disintegrated and fails to provide last-mile connectivity to the majority of commuters which has propelled the ownership of private vehicles. The middle-class working group which forms the backbone of Indian economy relies heavily on two-wheelers to solve their transportation issues which have made India the largest market for two-wheelers across the globe. The success of major two-wheeler brands has been a roller-coaster ride with unsurmountable challenges in terms of acquiring the latest technology and keeping the cost of manufacturing and servicing at competitive levels. Bajaj Automobiles had brilliantly occupied a generic image of two-wheelers for the middle-class population. Its Tagline "Buland Bharat Ki Buland Tasvir" was a true reflection of the growing aspirations of the middle class which was rightfully fulfilled by the company. While the motorcycle became the preferred choice for youths, the scooter was comfortably positioned for the middle-class family. However, the increasing population of young working-class vouched for

better mileage and maintenance hence the market share of motorcycles increased at the cost of scooters and slowly the segment started losing its charm. The paradigm shift was evident when Bajaj Auto shut down its scooter production to focus on motorcycles. The "fill it, shut it, forget it" offerings from Hero Honda had made a huge dent in the formidable positioning of scooters. In the year 1999 Honda floated its subsidiary with a specific agreement with its erstwhile partner Hero MotoCorp that it would focus on the automated scooter segment only and initially would not produce competing products in the motorcycle segments for a specific period. This led to the introduction of Activa the first 4 stroke gearless scooter in the market which in a short span of time established itself in numero - uno position. Adorning a mouth-watering figure of selling 3,154,030 units for the FY17-18 (Amit) it surpassed the sales figure of Splendor the blue-eyed baby of Hero Group.

Top 10 Selling Two Wheelers

Sales FY15-16		Sales FY16-17		Sales FY17-18	
Product	Total Sales	Product	Total Sales	Product	Total Sales
Splendor	24,86,065	Activa	27,59,835	Activa	31,54,030
Activa	24,66,350	Splendor	25,50,830	Splendor	27,33,585
HF Deluxe	11,48,254	HF Deluxe	14,08,356	HF Deluxe	18,83,047
Passion	11,39,576	TVS XL Super	8,90,518	CB Shine	9,87,271
CB Shine	7,98,699	Passion	8,70,382	Passion	9,30,996
TVS XL Super	7,23,767	CB Shine	7,77,006	Glamour	8,78,303
Glamour	6,79,147	Glamour	7,43,798	TVS XL Super	8,59,520
Pulsar	6,18,371	TVS Jupiter	6,13,838	TVS Jupiter	8,10,916
Bajaj CT	5,90,067	Pulsar	5,82,912	Pulsar	6,57,276
TVS Jupiter	5,37,451	Bajaj CT	4,52,712	Classic 350	5,55,513

Source: SIAM Data

The Inception

Honda Motor Company set its foothold in India by entering into a joint venture with Kinetic and Hero group in the 1980s. Though the Kinetic Honda Group made an entry with a splash they failed to sustain in the long run and eventually ended their partnership in 1998. The other venture with Hero group was pretty much successful and it established the group as the top player in the motorcycle division. The Hero Honda Group had the perfect chemistry between them with Honda playing the role of technology partner and Hero group lending its expertise in Sales and Distribution. They are credited to usher in a motorcycle revolution which changed the perception of the consumers regarding two-wheelers in India. The scooter manufacturer who had championed themselves as the official vehicle of the Indian middle class slowly found themselves cornered with consumer preference changing from scooters to motorcycles. Slowly the perception started developing that scooters will play a peripheral role in future and motorcycles shall dominate the market. This verdict was sealed with Bajaj Auto announcing its decision to exit the scooter market and to focus solely on motorcycles. In the year 1999 Honda floated its fully own subsidiary with a specific agreement with its erstwhile partner Hero Moto Corp that it would focus on the automated scooter segment only and initially would not produce competing products in the motorcycle segment till much later. The joint venture ended in 2010-11 and now both companies were competing in the market place, though with specializations in different segments. Hero group went on to dominate the motorcycle segment becoming the largest two-wheeler manufacturer in the world while HSMI emerged as the market leader in the 4 stroke automated scooter business with a hefty market share of over 60% with Activa sharing a lion pie in the market share.

Activa enjoys the same pole position in the scooter market which splendour enjoys in the motorcycle segment. Activa managed not only to change the industry perception about the scooter market but also opened a whole new market by positioning itself as a unisex vehicle.

It smartly envisaged the shift in demand pattern which was getting skewed towards females and promptly placed itself as a unique product which can cater to demands of both male and female.

However, during its launch in the year 2001, it did not have many takers in the market. The experts had pronounced that scooter market was dead in India and Bajaj was also doing well with its brand Pulsar after it had exited the scooter business. The sentiments were negative for scooter market and given the craze for motorcycles, no one was willing to bet on the scooter industry. The scooter market share in the total of two-wheelers sales in the country which had stood at 48% in 1994-95 had declined to 14.5% in the year 2004-05. In this gloomy scenario, the launch of Activa as a 4-stroke gearless scooter was viewed with grave scepticism by the experts. (Ritwik)

Initially, Activa witnessed a slow start with sales of around 55,000 units in its debut year, but then next two years saw exponential growth in three-digit numbers and by the end of the third year of operations Activa had managed to gain attention among the two-wheeler enthusiasts in the country with its sale volume touching to approx. 3.5 Lakh units (Ritwik). Though a majority of business analyst and the rival companies believed that Honda took a huge risk by launching a unisex scooter in the turbulent times that fact is Honda never played a blinder. The market sentiments were very positive for Activa in countries like Indonesia, Thailand, Vietnam etc, which clearly indicated that a new era of scooterisation defined by gearless products had begun and India could no longer remain aloof to this phenomenon. Recently India dislodged Indonesia as the largest market for Honda Scooters in the globe. The combined strength of sales of Honda Scooters and bike makes India the biggest global market for the two-wheeler division of the Japanese group. One noticeable feature is that Honda group is a big-time player in the car manufacturing industry but HSMI has carved out a separate entity for itself in the two-wheeler segment and works independently. Similarity can be drawn between Suzuki and Honda group where Suzuki also commands the largest market share in car segment and after breaking up

with TVS group has been manufacturing motorcycles independently in a separate company from Maruti Suzuki.

Another point to be noted was Honda had its root entrenched in the scooter business which helped them in taking a leap of faith by launching Activa scooters. Previously Honda had a joint venture deal with the Kinetic Group and were technology partners for Kinetic Honda scooters – India's first 2-stroke gearless scooters. Though after enjoying initial success both groups parted their ways

Honda had tested the Indian market which gave them the confidence to launch their new product. Activa became a game-changer for Honda motors which not only helped it move out of the shadow of Hero Group but also created a new segment for two-wheeler Industry and became the undisputed champion of gearless scooters in India. Rivals who were initially sceptical of this product are now scrambling to get a share of this pie.

Year	2Wheeler Industry	Honda 2 Wheeler India Sales		
		Total(SC +MC)	Mkt Share %	Growth %
2001-02	3,321,00	55,000	2	100
2002-03	50,53,000	1,66,300	3	202
2003-04	79,48,000	3,41,400	4	105
2004-05	65,76,000	5,51,100	8	61
2005-06	75,80,000	6,00,600	8	9
2006-07	84,82,000	7,15,300	8	19
2007-08	80,87,000	9,07,200	11	27
2008-09	84,81,000	10,70,200	13	18
2009-10	1,05,69,000	12,71,900	12	19
2010-11	1,33,97,000	16,58,053	12	30
2011-12	1,58,05,000	21,07,201	13	27
2012-13	15,811,00	27,54,584	17	31
2013-14	1,69,32,000	37,21,935	22	35
2014-15	1,84,62,000	44,52,295	24	20
2015-16	18,937,00	44,83,495	24	1
2016-17	1,99,09,000	50,08,230	25	12
2017-18	2,00,20,000	52,10,652	26	13
2018-19	2,10,18,000	51,09,323	24	11

Source –Ritwik Sinha Business India

The Great Revival

The consistent decline in the market share of the scooter had created a negative perception in the mind of two-wheeler manufacturers but the entry of automated four-stroke scooter led to the metamorphosis of the whole scooter market. In the year 2009, the market share of scooters was only 11% but within a decade it rose to 30% and still there is no sign of fatigue (Preeti). For long time scooters had rule the hearts and minds of Indian middle class, though with the advancement in technology which led to greater mileage and comfort motorcycle became the first choice of the young working class, the gap was always felt. Motorcycles were a symbol of the mobility of masses but when it came to personal mobility it was defined more by individual personalities which matched more with scooters.

Another push for scooters came from the rising number of working women forces who preferred convenience over speed and scooters scored over motorcycles as a medium for transportation. Another brownie points earned by the scooters was high fuel efficiency which acted as a pull factor for both rural and urban customers. Activa was perceived by the consumers as an uncomplicated product

which could be used easily by all family members for local rides. Though initially the sale for gearless scooters were tepid, it gained momentum in the later years. The annual sales of scooters in the country had more than doubled between 2011-12 to 2016-17 -from 2,558,981 to 5,604,601 units (SIAM). The success of Activa mesmerized the other players and the scooter industry witnessed the entry of TVS, HeroMotoCorp, Yamaha, Piaggio and Suzuki. HMSI's scooter sales shot up to 3,189,102 units at the end of 2016-17 as against 1,224,379 in the year 2011-12 (SIAM). In the same period, TVS Scooter sales went up to 826,291 units from the base of 496,892 units in 2011-12. The sale of Hero Moto Corp nearly doubled from 414,389 units to 789,974 units for the year 2017-18 (SIAM). According to SIAM report, Two-wheelers sales crossed a staggering 20 million unit mark and scooters have contributed significantly to this figure. Two-wheeler sales registered a growth of 14.80 per cent in April- March 2018 over April – March 2017. Within the two-wheeler segments, scooter and motorcycle grew by 19.90 per cent and 13.69 per cent respectively while Mopeds declined by 3.48 per cent in April-March 2018 over April -March 2017 (SIAM).

Scooter Domestic Sales

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Bajaj Auto								
Hero Moto Corp	4,14,389	5,49,808	6,90,079	7,52,052	8,18,777	7,89,974	8,83,667	7,19,087
Honda Motorcycle and Scooter India	12,24,579	14,20,115	19,02,859	25,02,347	27,89,537	31,89,012	38,21,542	36,80,403
India Yamaha Motor		60,281	1,76,981	2,16,960	3,18,450	4,40,423	4,74,846	3,64,879
Kinetic Motor Company								

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Mahindra Two Wheelers	1,34,518	1,01,530	47,180	46,349	84,064	34,308	12,836	9,896
Piaggio Vehicles		38,718	31,865	28,062	26,865	43,180	68,169	77,775
Suzuki Motorcycle India	2,88,603	3,28,766	2,96,804	2,75,190	2,20,388	2,80,783	4,21,539	6,15,520
TVS Motor Company	4,96,892	4,24,183	4,56,975	6,84,569	7,73,597	8,26,291	10,99,133	12,41,366
Total	25,58,981	29,23,401	36,02,743	45,05,529	50,31,678	56,04,601	67,81,732	67,08,926

Source – SIAM Data

A very interesting phenomenon which cropped out in recent years was robust demand of scooters for small town and villages. It was a perceived notion that due to small wheels and pathetic conditions of Indian road the demand of scooters shall be confined to metros and big cities, but contrary the demand from rural market has surpassed all expectations. Another reason for the increase in demand from the rural market was a unique feature which Honda offered – Tuff up Tube (a double-layered tube with a sealant) which prevented the tyres from getting punctured. This enabled them to answer the concern of rural customers about bad road conditions and high maintenance cost for two-wheelers.

One pertinent factor which led to the rapid rise of Honda scooters was its single-minded focus on a single product. During 1990 all major automobile players were focusing on increasing their product portfolio, Honda was bonded by the contract signed with Hero group was to stay away from motorcycle business and hence all its resources were diverted on improvising the scooter market. Their energy, dealer partnerships, design refinement, efforts to cater to products with unisex appeal etc were tied to basic rules of new-agescooterisation. Their efforts also got boost because of the growing popularity of Scooters in the ASEAN countries which slowly got inculcated in the

Indian market.

The Business Model

The initial success of Activagave Honda the confidence to expand its product portfolio and it launched two new scooter models – DIO and Eterno in quick succession. In a short span of time, Honda gave a very clear message that it meant serious business in the scooter category and claimed a dominant position in Scooter manufacturing. By the end of 2005, Honda was able to revive the scooter segment and capture more than 50% of the market share (Ritwik). In the same year, Honda entered the motorcycle segment by launching Unicorn in the 150cc category which was empowered by mono-shock suspension technology, introduced in the country for the first time. The later years were followed by the launch of new models – 125cc CB Shine (2006-07) and automated scooter Aviator (2007-08). By the time its contract ended with Hero group in the year 2011, Honda was able to create a rich product portfolio with deep product lines. These strings of success gave enough ammunition to HSMI group and it came up with all guns blazing to capture the market. It went for a massive expansion in its production capacity and launched various new models and upgrades with a clear focus on brand Activa. It launched an upgraded version of Activa I in the year 2013-14 and Activa 125cc in the following year. It

added another feather to its cap by becoming the second largest two-wheeler manufacturer in the country in the year 2012-13 and later CB Shine won the crown of largest selling bike in 125cc category.

Product Portfolio

Segment	Models	Engine
New	NAVi	
ATSC	CLOQ	110cc
	Activa-i	
	Dio	
	Activa 4G	
	Aviator	
	Activa 125	125cc
	Grazia	
MC	CD110 Dream	110cc
	Dream Neo	
	Dream Yuga	
	Livo	
	CB Shine	125cc
	CB Shine SP	
	CB Unicorn	150cc
	CB Unicorn 160	160cc
	CB Hornet 160R	
Fun Bikes	CBR 650 F	650cc
	Africa Twin	1000cc
	CB1000R	
	CBR1000RR	
	Gold Wing	1800cc

Source – Ritwik Sinha Business India

Honda believed in the 3M formula for attracting the customers – Middle class, Middle-aged and Married. In a short period, it had won the trust of Indian masses and surpassed the existing brands like Bajaj and TVS. The brand Activa and Shine together accounted for more than half of the sales of the company. Their contribution to revenue generation was more than 60% and the majority of it came from domestic sales. In fact, India surpassed Indonesia to become the largest market for Honda two-wheelers.

Its separation from Hero group become a turning point for the company which led to massive investment in backend infrastructure for capacity expansion and a strong dealership network. HSMI group added three new plants – Tapukara in Rajasthan in 2011-12 with an annual capacity of 12 lakhs, Narsapura Karnataka (2013-14) with 18 lakhs Unit Capacity (now upscaled to 24 lakh units) and Vithalpur Gujarat (2016-17) at 24lakhs unit. This enabled its production capacity to grow from 1.6 million units in 2010-11 to 6.4 million units(Ritwik). HSMI launched 15 new models in one single year and has invested Rs 9,800 crore till now in setting up their plants and distribution system in India. The dealer network which started with 60 associates has now grown up to 5,700 across the nation(Ritwik). They boast of State of Art technology in production plants which can churn out scooter in every 40 sec. All their plants are located strategically to cover the entire nation and are now acting as major hubs to export of their products to overseas market.

Honda 2 Wheelers Production Capacity in India

Year	Production (M Units)
2010-11	1.6
2011-12	2.8
2012-13	3.2
2014-15	4.6
2015-16	5.4
2016-17	5.8
2017-18	6.4
2018-19	6.8

Source – Ritwik Sinha Business India

Current Situation

HSMI spectacular success caught the fancy of other two-wheeler manufacturer and in a short period, all of them barring Bajaj Automobiles had jumped into the fray. This has led to wide varieties of options for the customers and the cost of wooing customer has gone up. Companies like TVS and Hero Moto corp have gained majorly from scooter business. TVS Jupiter has become a golden goose for the 201 company as it was able to clock a little less than 3 million sales in the year 2017. Its annual sales jumped by 15% and it made to the list of top ten selling two-wheelers brand in the country by cropping a mouth-watering sales figure of 8 lakh units in the year 2017-18.

Hero Moto Corp which has established absolute dominance in motorcycle business has now set its eyes on the scooter segment. The company presently has three models in its product portfolio – Pleasure, Maestro Edge and Duet each catering to different segments of consumers. It has been able to capture 14.1% of the market share and is planning to launch new models in 125cc categories to boost its sales. Global players like Suzuki, Yamaha and Piaggio have also ventured into the scooter business with each claiming to charm the customers with their unique offerings. They managed to carve a substantial market for themselves with Suzuki Access 125 enjoying 38 % market share in the 125cc category. Yamaha has also launched a series of models – Fasino, Cygnus Ray ZR Street Rally edition and is trying to offer mobility solutions with specific product characters.

HSMI has been benchmarked by all the rivals and they are leaving no stone unturned to offer serious competition to the market leader. To boost their brand image, they have resorted to hiring celebrities with TVS roping in Amitabh Bachchan Hero Motocorp having Ranbir Kapoor as their brand Ambassador. Honda has responded by hiring Akshay Kumar and Tapsee Pannu as their brand ambassador. The aggressive marketing strategy has managed to hold the competitors in the bay but Honda needs to be consistent with its innovative strategy to retain its top position

The Dilemma

The Indian market has now become a twin edged sword for HSMI. The government has given the mandate to make all automobiles compliant with BSVI norms by 2020. The two-wheeler manufacturer is required to introduce fuel injection system which shall force them to overhaul their technology which in turn will impact their production capacity. This requires huge investment in terms of cash and manpower which might ultimately lead to a rise in product cost. HSMI has been consciously investing in setting up the right ecosystem for meeting the BS-VI norms. The increase in cost can lead to a decline in demand for their products especially from small towns and rural areas.

However, the biggest threat which it might face is in the form of electric vehicles which are expected to dominate the market. The government is keen to reduce the CO2 emissions and to bring down the fuel bill for which it has proposed for total electrification of two-wheelers by 2025. Though it does not have many takers presently because of inadequate business environment there are lots of start-ups which intend to disrupt the two-wheeler market. Its rivals like Hero MotoCorp and TVS group have already started investing in the development of infrastructure and technology for production. Bajaj Automobiles is planning to re-enter the scooter market with its range of electric scooters under the Urbanite brand. Hero MotoCorp has invested 130 crores in Atherenergy, a promising electric two-wheeler startup. TVS group plans to enter the scooter market under Creon brand projecting it as Performance-oriented and environment-friendly product. HSMI recently announced that it has no plans to launch electric vehicles in India till 2020. The company stated that it needs a cooling period to ensure a smooth transition from BS-IV norms to BS-VI norms and does not foresee much demand for electric vehicles soon. Though Honda group has got the expertise to manufacture electric vehicle it feels that due to infrastructure constraints and high-cost people will not be enthusiastic to purchase an electric vehicle. Their apprehensions cannot be disregarded totally as there are some serious roadblocks in their ambitious

targets to become a mass product. The battery of an average electric motorcycle takes 3-4 hrs on the AC charger to get fully charged and in high voltage, DC charger will take 20-25 minutes with an average range of 80-120 km. The time is taken to refuel a two-wheeler is less than 2 minutes, also the government needs to set up high charging point intensively to avoid long queues. Even if they try to set up specific charging points at fuel station it requires a major change in design as traditional fuel pumps allow vehicles to enter from one point, refuel at the centre and depart from another end with an average waiting time of fewer than 3 minutes. This eliminates congestion in the fuel stations which might not be possible if two-wheelers are coming for charging with average waiting time or more than 20 minutes. Moreover, the major portion of India still reels under power shortage problem marooned with power cuts and voltage problem. The government has to ensure uninterrupted power supply with steady voltage or else the average charging time will increase which seems an uphill task.

The cost is another bone of contention for electric vehicles as they are priced nearly double than their counterparts. Even if the average cost for running an electric two-wheeler is very low it will take minimum 3-4 years to recover the cost and average life a battery in a two-wheeler is 2-3 years and their cost of replacement is approx. 15000. (Naveen). Their servicing is also a big challenge as enough manpower needs to be recruited and trained for their maintenance.

The two-wheeler market can witness a serious disruption with the majority of players barring Honda group focussing on electric vehicles and also start-ups like Ather, Tork motors and 22 motors striving to make their mark. Government is also determined to create a favourable ecosystem to electric vehicles and has drawn a blueprint of its ambitious scheme. The management of HSMI is still not convinced of this idea and as of now has adopted a wait and watch strategy but it has to take the call sooner or later or else it might lose out the market to its rivals.

Learning objectives and key issues

1) The main issue in this episode is Product

Innovation and the dilemma which the company faces with regards to the launch of electric two-wheelers in India

- 2) HSMI had the strategic vision to identify the void created by Bajaj Automobiles by exiting the Scooter Business which led to the launch of Activa
- 3) The positioning of Honda as a unisex bike was readily accepted not only by Urban but by Rural consumers also which shows a huge change in consumer perception
- 4) Bajaj Automobiles are the only Two-wheeler manufacturer who is not present in the scooter business as they want to develop their core competency in bikes. This is a very tricky situation as they were the pioneer in scooter business and now, they have zero presence. Shortly, Bajaj is planning to launch its electric scooters.
- 5) Launch of electric two-wheelers in Indian Market and the challenges which the organization might face in lieu of competition from traditional competitors and as well as from the startups like Ether and Tork who are aggressively launching their product.

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Retail Store Image and Consumer Behavior Linkages

-A review based discussion framework

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Abstract

In dynamic and competitive retail space, store image management has become an essential strategic tool for retailers to gain competitive advantage. Meanwhile, as consumer maneuver within diverse retail environments, literature too documents various consumer research studies pertaining to the complexity and dynamics of responses and behavior. Appreciating the significance of the retail store image in understanding the behavior of consumers, it shall be interesting to discover linkages of the retail store image with associated consumer behavior variables. The study endeavors to build on theory by a discussion outline after reviewing relevant literature. Further, it shall provide a useful theoretical framework that can aid retailers and marketers alike to build retail outlets with favorable images. The reviews encompass diverse studies wherein the relationship amid retail store image consumer perceptions and dependent consumer behavior constructs have been examined.

Key Words: Retail, Store image, Consumer behaviour, Store attributes, Literature review

1. Introduction

Past decade has witnessed geographic and technological shifts, changing purchase decisions has given rise to more aware, conscious and knowledgeable consumers who look for the varied store experiences with newer expectations. Thus trend in considering retailer performance as a measure of customer experience per square foot (KPMG, 2018) is prompting store retailers to change their priorities. A significant facet of this development has augmented the importance towards the perception of 'store image' to draw customers. Retailers are striving to identify the appropriate retail mix elements and contend with differentiated in-store experiences on different

dimensions in the retail space (Dutta et al., 2016).

All retail stores reflect an image to their customers; however, each can echo diverse images to a different segment of consumers. Jansson (2002) refers to a rise of reflexive accumulation in contemporary times. By reflexive accumulation, Jansson refers to a process whereby cultural and economic actions are deeply interwoven. The retail store is one such space where economic and cultural action come together. Consumers buy something not only because it serves an economic purpose, but also because it is culturally acceptable thus the image of the retail store is produced by mediatized descriptions.

Customers frequently assess and choose retailers as per

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their retail image perceptions. Thereby, it is imperative for retailers to build up, nurture and commune the appropriate store image. There are lots of parts which adds to the store image and all are weighed in a special way, in consumers' mind in diverse consumer groups (McGoldrick, 2002). In order to prosper, a retailer must present a unique, lucid, and a consistent image. Once the image is recognized in the minds of customers, a retailer is positioned in places as compared to its competitors (Berman, 2011, p. 519). This image frequently becomes the source of competitive edge, since other aspects might be restricted in the way they distinguish the retailer's brand image from their competitors' image (Burt and Carralero-Encinas, 2000). Thus for accomplishing competitive advantage, store image management for retailers is a vital strategic tool (Delgado et al., 2014). Since store image is associated with consumers' perceptions of retailer (Morschett et al., 2005). Over a period of time, the influence of retail store image on consumer behavior has been largely recognized. Scholars suggest that store image could differ on the basis of cultural differences for the reason that of national/regional cultural influences on the consumer's behavior (Theodoridis & Chatzipanagiotou, 2009). Therefore, it becomes imperative to understand consumer behavior as it is the study of when, why, how, and from where a consumer purchase or does not purchase a product/brand. It endeavors to comprehend the consumer decision making process, at individual and group level, including individual consumer's characteristics (demographics and behavioral) so as to understand what consumer wants.

This study seeks to present a discussion paradigm for appreciating the significance of the retail store image in understanding the behavior of the consumer and later build perspectives for enhancing the retail store image and thus reduce and bridge the gap amid the retail store image and various consumer behavior variables. It is an attempt to utilize pertinent studies to contribute to the benefit of future deliberations and valuable dimensions whilst structuring and developing retail strategies for practitioners.

2. Objectives of the Review

The current review critically examine the empirical as well as theoretical available literature on store image in marketing and retailing domain. In spite of presence of abundant studies, this meticulous review add to the body of knowledge in three most important ways. Primarily, literature study was conducted to develop better understanding of retail store image and its constitute store attributes. Secondly, the existing literature is consolidated and consumer behavior variables are identified to review the studies with respect to the store image. Further, this cataloging aids in understanding the precedent research studies on the proposed linkages with respect to the store image. The next significant contribution is development of a discussion framework model of linkages amid store image and various dependent consumer behavior variables. In view of the above objectives, further manuscript is structured as follows: Section 1 and 2 has presented Introduction and review objectives respectively. Section 3 presents the outline of consumer behavior and its importance. Section 4 while examining the available literature, reviews retail store image and its dimensions, constituent store attributes. In Section 5, a detail review of identified consumer behavior variables and their relationship with store image is presented. Section 6 concludes and discusses the implications. Section 7 and 8 illustrates the limitations of the study scope of future research respectively.

3. Consumer Behavior

The focus of Consumer Behaviour is on how the consumer decides to spend their accessible resources in terms of money, time and efforts on consumption associated items i.e. marketers offerings (Schiffman, Kanuk, and Ramesh, 2011). Though as per Kernan, (1995), the roots of Consumer behavior lies in the marketing discipline but the development and significance of consumer behavior studies began in the late 1950s. Wherein both practitioners and academia focused on consumer behavior to expand an overall knowledge from its academic perspectives (Gordon and Howell 1959; Dahl et.al., 1959). Consumer behavior is

as an interdisciplinary area stemming from majorly four disciplines including “Psychology (study of human mind and mental factors affecting behavior), Sociology (study of human society), Anthropology (study of human societies culture and development) and Communication (process of imparting/ exchanging information)” which explains consumer decision-making process (Schiffman, Kanuk and Ramesh, 2011). However, Solomon (2013) categorized the influencing disciplines of consumer behavior on the basis of the level of their focus which can be micro referring to the individual consumer or the level can be macro which focuses on the consumer as a part of group/s or society at large. Solomon defines Consumer Behaviour as “*It is the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires*”. As per Blackwell et al., (2006), consumer behaviour involves “activities people undertake when obtaining, consuming, and disposing of products and services”.

A paradigm shift is witnessed since the emergence of consumer behaviour, especially in context of retailing, the significance of understanding of consumer needs and wants, perceptions and attitudes and purchase intention turned out to be very essential for the strategic implementation of various retailing activities. The relevance of consumer behavior to the retailing is a fundamental one. In the current competitive retail landscape, the success of a retail store rely on having accurate knowledge of its consumers. Moreover retailers function in a dynamic setting facing numerous changes in consumer needs and wants, demographics, varied retail formats, disruptive technologies and everchanging retail ownership models across the globe. In such a scenario, the understanding of consumer behavior becomes imperative subject to dwell.

4. Retail Store Image

The seminal work by Martineau (1958) brought out that “a retail store has a personality” and retail store images can be defined as: “the way in which the store defined in the shopper's mind”. According to Lindquist (1974-1975) “store image is complex by nature and consists of a

combination of tangible or functional factors and intangible or psychological factors that a consumer perceives to be present. Functional attributes can be seen as tangible elements, such as merchandise selection, price range, and store layout, while psychological qualities determine how a store makes someone feel”. Bloemer and De Ruyter (1998) defines “store image as complex function of consumer's perceptions of a store on various salient attributes”. As per Porter and Claycomb (1997, p. 374) claim that “Retail image is generally described as a combination of a store's functional qualities and the psychological attributes consumers' link to these”. Bezes C (2014) in a study tested a common tool to measure website and store image and results showed that ten image dimensions were namely, “offering, price, layout, accessibility, promotions, customer service, advice, reputation, institution and connections”. In a prevalent review of literature for the past fifty years, the study demonstrated that as the original investigations in the 60s and 70s the major store-attributes were not altered considerably. Mathur and Gangwani (2016) identified six retail store image dimensions namely “Sales Personnel & Store Association; Atmosphere; Promotion & Institutional; Service; Merchandise & Convenience”. More recently, Burlison Josh and Oe Hiroko (2018) examined 24 studies on store attributes that affect retail store image and identified eight significant factors, namely, “merchandise, service, convenience, promotion, clientele, physical facilities, atmosphere and institutions”.

The majority of the scientific society believe that store image is articulated by the way consumer assess various attributes of retail store (Devlin et al., 2003) which implies that for each of the store, a different image is formed in the mind of consumer (Bloemer & De Ruyter, 1998).

Store Image as conceptualized in literature highlights two different schools of thoughts. One is a store attribute approach where store image is conceptualized as a multidimensional (Shen, 2010; Marks, 1976). Other school of thought advocates store image is considered as a holistic concept where store image is conceptualized as an integrated formation of beliefs, knowledge and familiarity

with store and image perceptions (Hartman and Spiro 2005) wherein “store image is defined as perceptions of consumers on primary marketing activities of a store” (Jinfeng and Zhilong, 2009).

Store attributes comprises of both functional and psychological attributes/dimensions of store image. The holistic view of store image gives the overall store impression in the consumer's minds. In the study, both the conceptualizations of store image are incorporated to comprehend the linkages amid retail store image and allied consumer behavior constructs.

5. Consumer Behavior and Retail Store Image

The conception of retail space or store image has been deemed to be an integral element of the consumer decision-making process. Past research approves the influence of store environment on consumers' perceptions of purchased goods/services (Kunkel and Berry, 1968; Bender, 1964; Martineau, 1958). More so, when consumers have little or no shopping experience with a specific particular product,/ store/ environment, they might use their own perceptions about store's image in addition to product price. As shoppers seek an experience, which is additional to merchandise assortment or quality, a fusion of multi-dimensional store attributes crafts a favourable and apt retail store image. Since various retail image dimensions vary with retail area and store types, product type, and the characteristics of target market. Consequently, certain image related attributes will have larger influence as compared to others on consumer behaviour depending upon the consumer as individual and the nature of their purchase decision (Bell, 1999). Thus, the store image is considered as an imperative construct in the performance of human behaviour (Belwal and Belwal, 2017; Bagdare, 2015; Lindquist et al., 2001).

According to Campbell and Deane (2019: 238), the politics of image is connected to “the dialectic of alienation and belonging that is at the foundation of our social world.” In this sense, it is useful to understand which dimensions of the image of the retail store structure a sense of belonging, and which dimensions of the image structure, a sense of

alienation to consumers. In broader terms, what is humanising and dehumanising about the retail store and its attributes?

Amidst current retail developments which affects consumer behavior, researchers need to address as to which of the store attributes of store image, the retailer need to focus, so as to build not only a favorable store image, but the image which successfully attracts its target customers to stores.

As consumer maneuvers within diverse retail environments and experience multi store attributes, literature documents, various consumer research studies pertaining to intricacy and dynamics of responses and behavior. The retail store image literature review underlines few current findings of relevant studies on associations amid retail store image, consumer perceptions and associated dependent consumer behavior aspects were also being examined. This facilitated an enhanced domain knowledge understanding of the retail store image by providing a deeper insight into their influence on various consumer behavior variables (Van Noordwyk, 2008). Consequently, select consumer behavior variables were found to be engaged as independent variables in envisaging store image and which are listed as “Attitude, Emotional State, Decision-Making, Patronage Preference, Approach/Avoidance Behavior, Patronage Behavior, Customer Satisfaction, Store Loyalty, Store Choice, and product-specific attributes”. Hereafter, findings with respect to each of the above with its linkages with store image and its attributes are discussed to craft a discussion framework.

A review is conducted from the available literature illustrating retail store image being portrayed as a construct in predicting all possible associated consumer variables. The presented literature review in the following sections of the manuscript comprises relevant research findings across past decades, to present an extensive outline of the domain area of main construct, however it does not acknowledge to be a comprehensive related literature.

5.1 Attitude

As conceptualized by Ajzen(2001), “Attitude can be as a summary evaluation of an object”. Since attitude influences consumer behavior, association amid a consumer's store perception and attitude is pertinent to store image research (Ajzen & Fishbein, 2004). Though only some studies have explored the affiliation connecting the retail store image perceptions and consumer attitude towards store, preliminary outcomes appeared to show that such a relationship exist. As per planned behavior theory (Ajzen, 1985), consumer attitude determines their behavioral intention, thereby the attitude of consumer towards retail stores plays a crucial role in the selection of shopping modes. While this general attitude towards a store is willingly available, it is likely to have a direct impact on consumer's store-specific quality perception (MacKenzie and Lutz, 1989). In fast food restaurants retailing environment context, Ward et al. (1992) established that as the store environment relates to store image, it positively correlates with the attitude towards the retail service.

A study in Malaysia, when inspected, the influence of retail store image attributes on the consumer perception established that these are assimilations of all the indications and messages as received and in-store shopping experiences. These were added to their personal perceptions of store image dimensions (Hossein et. al, 2014). Additionally, Koo (2003) had also indicated that varied retail elements have significant and favorable influences on the attitude of consumers towards retail stores.

5.2 Emotional State

Emotional state of an individual makes an impact on their behavior. The pleasure and arousal dimensions exclusively decide either ways, a consumer may react optimistically or pessimistically to a consumption situation, including store environment (Solomon, 2013). Image is related to the desire for consumption. Kozinets, Patterson and Ashman (2017) indicate that unfettered desire is a problematic state of existence for consumers. Hope and desire have been known to fuel consumer ideology and the market system.

It is useful to focus on emancipatory imaginations of desire and discover how desires can be connected to overcoming repressions of psyche. It is also useful to situate the retail store and its image within broader structures of the economy and ask whether the retail store helps in contesting inequality or ends up amplifying inequality.

“The outcome of varied combinations of pleasure and arousal levels gives numerous dimensions of emotional states namely Arousing, exciting, pleasant, relaxing, sleepy, gloomy, unpleasant and distressing” (Solomon, 2013). Research had also supported the findings that the service element of retail store image has a favorable and optimistic influence on feelings which led to consumption (Grace and O’Cass, 2005). Several research studies have investigated the effect of retail stores on consumer's emotional state and subsequently their purchase behavior. In fact, store image deems to be a manifestation of a one's perception of reality (Bernstein, 1986) which is based on “one's beliefs, emotions and feelings” (Barich and Kotler, 1991). As the image is an assessment made partially on the basis of emotional attributes (Nevin & Houston, 1980), thus ought to be associated with emotions that an individual anticipates to feel by realizing after their aim to shop. For instance, if a consumer aim to shop at a retail store, then they will typically relate a more positive outlook with a store which they see more optimistically. Further, Hunter (2006) established that “influence of shopping center image on desire to visit arises directly and indirectly through positive likely emotions which is partly mediated by positive predictable emotions”. Thereby, suggesting that all communications to shoppers need to be focused on emotional appeal as compared to cognitive appeal. Research proposes “appeal type needs to be corresponding to whether the product is mainly affective or cognitive” (Johar and Sirgy, 1991).

Kim et al. (2009) found consumers regard fit amid the appearance of sales associate (salesperson) and the store image as a vital influencing factor on their opinion about the store image. Ballantine et al. (2010) confirmed that the

interaction amid stimuli, which constitutes store atmosphere can considerably influence shoppers' affect (emotional state) for the retail store and found that influence of several atmospheric cues on the hedonic retail experience.

5.3 Purchase Decisions

In spite of all the efforts of retailers to “pre-sell” consumers by influencing advertising, marketers started recognizing that the retail store environment strongly influence many purchases. (Solomon, 2013). For instance, in the context of women consumers, one of the main information source, while deciding to purchase clothes is store displays. According to Sen et al. (2002) consumer's judgment to enter a specific store is greatly prejudiced by window display, especially at the entrance location, although findings in addition showed that purchase decisions are robustly related with information which is more products category-specific as compared to store-specific, which is gathered from store window displays. Consumers may alter their mind by erroneous feelings before they enter the store to purchase. At the same time, they also may intend not to go into the store originally but enter and purchase for the reason that store's window display image or atmosphere was perceived good (Samli et al., 1998; Chowdhury et al., 1998). More recently, while examining the antecedents of consumer behavior towards storefront windows, Pantano (2019) demonstrated that consumers not only willingly entire the store when they witness and sense, innovative interactive technologies at storefront windows, but also share positive word-of-mouth with friends.

Though, prior research studies have shown that music played in the store influences purchase decisions (Oakes et al., 2013). In a recent study, Toldos et. al (2019) further indicated that “customers in a non-English speaking country are more likely to make purchases when music is played in English, which fits with the store's global image and in addition, this effect is mediated by time spent in the store”.

5.4 Store Preference

Research around the retail store image validated the

linkages amid store image and store preferences which is well described by a popular model such that, “Sheth's (1983) model of patronage preference had argued that personal and product determinants influence consumer's shopping motives, while market and company factors influence consumers' shopping alternatives”. Pragmatic evidence on proposed relationships between a store image dimension- 'facilities' and patronage preference was found.

Hansen and Deutscher(1977-78) established the “importance in rankings for facilities in department and grocery stores were similar”. While evaluating the retail store image dimensions Thang and Tan(2003) established the association among 'how consumers perceive store image' and their 'preference for retail outlets'. The study pointed out that the enhanced positive perception of consumers towards the store's facilities will result in high store preference. In a more recently, Jacobs et al. (2010) with a qualitative research approach found that “product-related factors such as quality, price, product range and convenient packaging” enhances consumers' store preference.

5.5 Approach or Avoidance Behaviour

The consumer response to an environment as per Mehrabian and Russell (1974) model affirms that “these reactions can be symbolized by 'approach' or 'avoidance' behavior”. In retail context, 'approach' behavior connotes, stay and remain inside the store and respond to the store environment whereas avoidance behavior connotes to leave and move out of the store.

Earlier, in a study on elderly consumers it was found that store attributes impacts approach or avoidance behavior (Moye & Giddings, 2002). As per Donovan and Rossiter (1982) “consumer's emotional states of pleasure, arousal and dominance are influences by store atmosphere”, in addition emotional state acts as mediator amid store atmosphere and approach-avoidance response. Various intensity of lighting used for displaying merchandise, as a store attribute influences approach/avoidance behavior as per Summers and Hebert (1998). Gilboa and Rafaeli (2003) reveals that customers are more apt to approach a retail store with modest visual complexity and high order

appeal. In the retail environment, Deng and Poole (2012) instituted an optimistic relationship amid “visual complexity to digital user interface” and store preference. However, more recently, Jang and Choo (2018) while investigating the similar effect in a retail fashion store found approach behavior of consumers showed “an inverted U-shape in the low-order condition, while a positive linear shape in the high-order condition was observed, and interestingly the interaction impact was significant for high-sensation seekers only”. These conclusions could possibly aid retailers in formulating appropriate visual merchandising strategies in retail stores. It becomes more useful especially when organizing a large number of wide-ranging merchandise in a complex environment.

5.6 Patronage Behaviour

Patronage behavior refers to all those actions that a consumer carries out with the intention of making a purchase from a retail store. These actions comprise of information search, purchase/post purchase behavior. Patronage behavior also includes non purchase associated actions like gathering information about many retail stores before buying required merchandise. Patronage of consumers towards a retail store sums up the extent to which they return to a store for repeat purchasing. If a store is able to sustain long term store patronage, consumer spending too was found to increase (Theodoridis and Chatzipanagiotou, 2009; Pan and Zinkhan, 2006a, b; Hu and Jasper, 2006;).

Many different research studies validated the influence of retail store image perceptions on consumer patronage behavior. According to Doyle & Fenwick (1974), while targeting their customer retailers found store image to be a decisive factor and over a period of time it affects patronage behavior of customers (Mazursky and Jacoby, 1986). Consequently, retail practitioners must appreciate store image perceptions of customers as they will help them in facilitating and spotting target customers who also are likely to buy (Bhat and Singh, 2017; Clement et al., 2015). Retailer is ought to maneuver the entire store image perceptions of the consumers in order to persuade

patronage behavior of consumers (Oh et al., 2008). For instance, Kumar et al. (2010) establishes “the cognitive influence of store atmospherics on customer value, store image, and patronage intentions in an emerging market conditions”. Kaul et al. (2009) concluded that “initial-trust-image of a new store influences shopper trust as well as patronage intentions, where shopper trust reduces significantly when an initial-trust-image is negative as compared to initial positive perceptions”. The study also indicated that Indian shoppers are inclined by the varied cues and among them store's front displays are the most vital ones, followed by word-of-mouth promotion and recommendations from friends and relatives plays an important role in eliciting shopper patronage. Chang H. J. et al. (2015) brought out that sales employees at retail outlets and the store atmosphere attribute of an active wear specialty store has an affirmative effect on consumer satisfaction, thus creating a straight impact on 'word of mouth' and re-patronage intention for active wear specialty stores. Jacobs et.al (2010) with a qualitative research approach among consumers of food in department store revealed that “store-related factors such as store location, appearance and hygiene, service quality, convenience of trading hours, and consistency in store layout predominantly influenced participants in their patronage of a specific store format”.

5.7 Consumer Satisfaction

According to Bloemer and De Ruyter (1998), “Consumer satisfaction is referred as the outcome of the subjective evaluation that the chosen alternative (the store) meets or exceeds expectations”. In the retail literature, Many different research studies had validated that the connection amid retail store elements/attributes and consumer satisfaction (Thang and Tan, 2003; Gail and Scott, 1995; Hackl et al., 2000; Gomez et al., 2004). Recently, Watanabe et.al (2019) confirmed that store image evaluation positively affects consumer satisfaction.

Bouzaabia et al. (2013) developed a model based on “existing research in the area of 'logistics service quality', 'service logic', 'store image', and 'customer loyalty’”. The results demonstrated that customers might gain an

extensive pie of their satisfaction during the exchanges of in-store logistic operations and which is supposed to be a vital constituent of the retail servicescape which besides directly influencing satisfaction also indirectly influences via its image. More recently, Thomas S. (2013) in a study in Indian context validates “the measurement model of customer satisfaction and while deliberating on its influence on customer loyalty stated that the store image was also seen to have a positive impact on customer loyalty through the mediating variable customer satisfaction”. In a model (tested in Spain and USA), Marti´nez-Ruiz et.al (2011) described factors which exercise maximum influences on customer satisfaction are “services, quality and are followed by convenience”. Theodoridis & Chatzipanagiotou (2009) found in Greece supermarket context that customers evaluate store image as statistical significance for their satisfaction levels and specific store attributes emerged as significant determinants of satisfaction including products, pricing, personnel, and in store convenience whereas atmosphere and merchandising has no significant influence on satisfaction formation.

As per, Martenson (2007) there lies a strong relationship among “Corporate Image” and “Satisfaction and when consumers find the store neat and pleasant, they believe that the store understand their needs and thus customers feel satisfied”. Noyan and Simsek (2011) demonstrated that retail store image perceptions with respect to store dimensions, “service, store atmosphere, loyalty programs and service”, vary with consumer satisfaction in Thailand's supermarkets study. Roy et.al (2011) showed that store image perceptions with store dimensions, including “physical structure, service reliability, employees' competence and courtesy” vary with consumer satisfaction. Watanabe et al. (2013) found that “the significant attributes that explained satisfaction were price, employees and product, and where price was found to be the most influencing attribute”.

5.8 Store Loyalty

Early on the premises established that the space amid consumers and a retail store, is the decisive cause of store loyalty (Thompson, 1967). Store loyalty is defined by

Bloemer and De Ruyter (1998) as “the biased (i.e. non-random) behavioral response (i.e. revisit), expressed over time, by some decision making unit with respect to one store out of a set of stores, which is a function of psychological (decision making and evaluative) processes resulting in brand commitment”.

Researchers exemplified that few retail store elements play a critical part in customer store loyalty behavior (Hu and Jasper, 2006; Sherman et al., 1997; Baker et al., 2002; Sirgy et al., 2000). Burt and Carralero-Encinas (2000) deliberated on some of these concerns which were linked to retail store image management and the possible gap between the retailer's opinions and the customer's perception of store image. Earlier, in a conceptual model Osman (1993) anticipated that if retailer meets up or surpasses the customer expectations, it will result in favorable customer experiences, probably can direct to repeat purchase behavior and improved customer loyalty. Likewise, a minor alliance with the customer and the retailer images may possibly face the customer's decreased loyalty. Lee and Lee (2005) found significant relationship amid sales personnel and store loyalty. Further, Birtwistle et al. (1999) pointed out that retail store image is the insight embraced by customers and store's frontline staff. As per their findings, the store's frontline staff should uphold high esteem towards their retail store and its offerings including the environment in which they interact with store customers.

There are quite a few evidences that “store loyalty might be positively linked to store image and customer satisfaction” (Bloemer and De Ruyter, 1998; Osman, 1993), on the other hand, precise linkages amid satisfaction, store image and loyalty remains unclear in different retail settings. For case in point, Beneke et.al (2011) in the franchise setting in South Africa supermarket study rejects the argue that store image directly affects loyalty and indicated that customer satisfaction is essential for a relationship to survive, amid both store image and loyalty, and loyalty and trust. Koo (2003) in a study in Korea, established that “attributes of discount stores has a positive and significant effect on store loyalty” whereas Chang and Tu (2005) confirms the similar

influence at hypermarket consumers in Taiwan. Jha & Arora (2012) in a study of loyalty card of pantaloon stores in India found “significant relationship between the extent of customer loyalty towards a particular store and the level of customer satisfaction”.

5.9 Store Choice

In principal, Store choice is considered as a cognitive procedure (Sinha and Banerjee, 2004) and store choice decisions were conceptualized as a two stage problem situation, pertaining to processing information of store location and timings for shopping visits (Leszczyc et al., 2000). Consumers utilize retail store elements as assessment criteria in active decision making course with regards to retail store choice (Jin and Kim, 2003). Joyce & Lambert (1996) explained that “store image is a vital constituent in a consumer's choice of a retail store”, for instance, the significant role of store's window display in influencing shoppers' decision to go inside a store is vital and thereby influencing in forming their perceptions about store image.

Numerous studies identified that store choice decisions are driven by store attributes (Basu et al., 2014; Prasad & Aryasri, 2011; Mortimer, 2012; Tripathi & Sinha, 2008). For instance, Jantan and Kamaruddin (1999) found that most significant store image attributes/dimensions influencing the department store choice was “location followed by service; merchandise and promotion; and advertising” among seven examined dimensions among Malaysian shoppers. Jaravaza and Chitanda (2013) further elaborated that “store location related aspects including, travelling time, locational convenience, proximity to complimentary outlets and store visibility are the influencing factors in the selection of a store”. Nevertheless, Hassan & Bakar (2010) explained “dependence of store choice on store attributes like reasonable price, merchandise assortment and personalized services offered by the retail store”.

From the perspective of consumers, assortment does play a primary role in store choice. (Kahn et al., 1986; Brieschet al., 2009). More recently, Gudonavičienė and Alijosiene (2013) revealed “merchandise to be the most

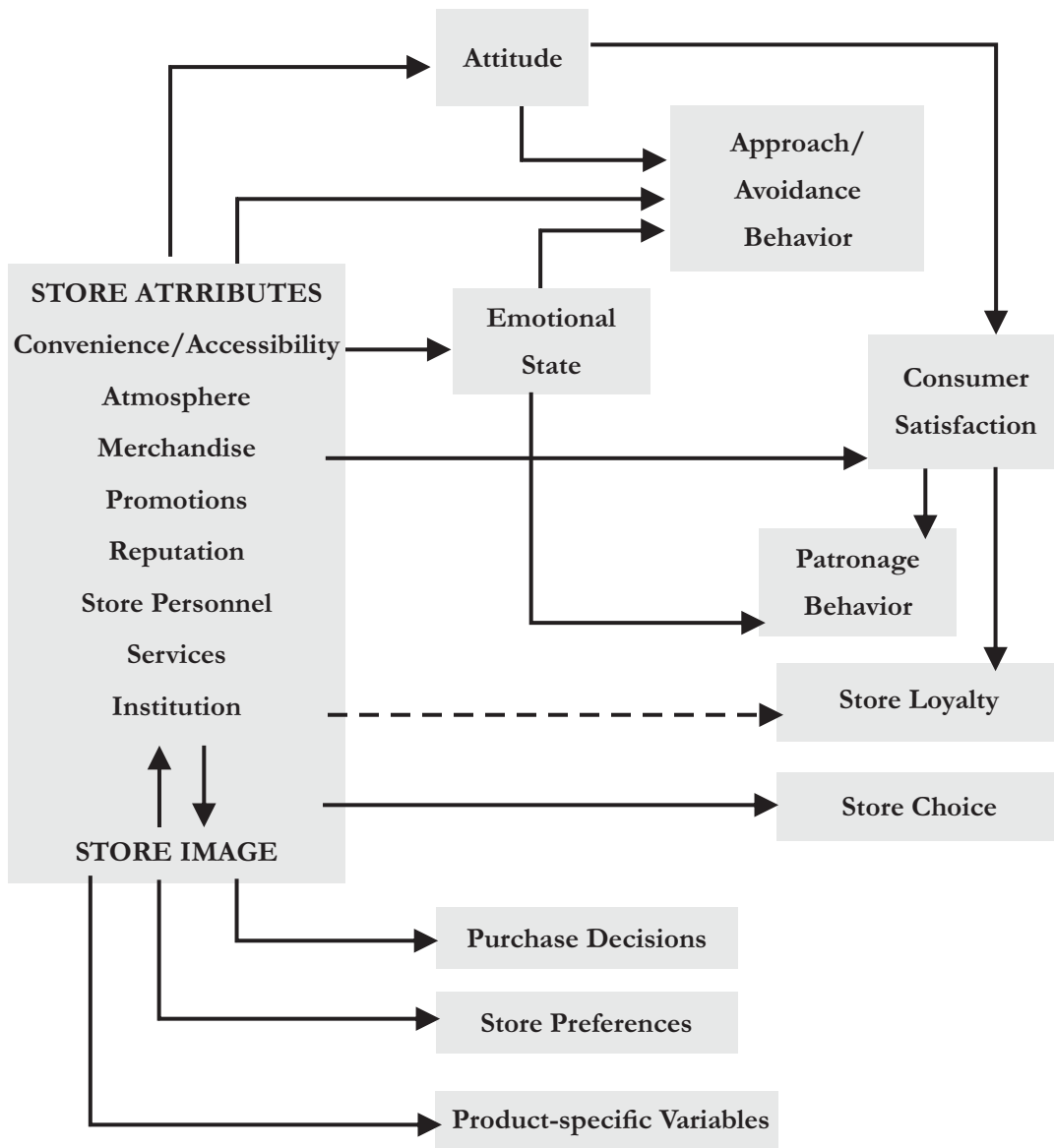
significant image attribute for selecting a store, followed by macro accessibility, entertainment, micro accessibility and atmosphere”. According to Bezes (2015) store attributes like “accessibility, the range of merchandise and Reputation” influences store choice. Similarly, Yilmaz (2004) found “while selecting shopping center, merchandise features and geographic location to be the preferred store image dimensions”. In a separate study, Dhurupet al. (2013) while discovering the influence of store image factors on store choice, found “sales assistance to be the most important and store atmospherics, the least important store image factor” for the sportswear shoppers in South African. Researchers from more than a decade have been emphasizing the need to craft beautiful store environments, and highlight store attributes which draws and influence store choices (Nair, 2018M; Mazursky & Jacoby, 1986).

5.10 Product-specific Variables

In the contemporary intricate retail setting, customers depend on the impressions of a retail store along with brand/store services in order to take buying decisions. Product/brand image and store image are interrelated variables, moreover, retailer's offerings aids in positioning it alongside its competitors within a sector (Varley, 2005). Helme Falk Miralem (2016) brought out the fact that consumers have a preference and classify sensory cues “as per a specific product in the department, the service offered by the firm and the store image”. This imply that retailers must deploy and select visual, auditory and olfactory cues according to their product offerings and retail store image so as to establish appropriate fit especially when complementary and positioning product offerings/services in a retail setting.

Baugh and Davis (1989) indicated that “apparel prestige is more favorable for clothing from a high prestige image store as compared to a low prestige image store for both designer and private label clothing”. Collins-Dodd and Lindley (2003) exemplified affirmative and significant relationship among consumers' perceptions of retail store image and private label brands. Similarly, Semeijn et al. (2004) also validated that “store image perception to be an

important predictor of attitude towards a private label brand when examined consumer evaluations of private label brands”.



Note: _____ denotes confirmed linkages ; ----- denotes contradictory findings

Fig. 1: Proposed conceptual Framework of Retail Store Image and Consumer Behavior Linkages

6. Conclusion and Implications

Retail store image research highlights several empirical research findings relating to the linkages among the perceived retail store image and associated consumer behavior constructs. However, findings from research work offer few contradict results. The current study concludes the outline of literature on the linkages amid retail store image and consumer behavior constructs by integrating present research studies into a discussion framework. Fig. 1 illustrates the proposed discussion framework of relationships amid retail store image and consumer behaviour constructs. The centre of the model depicts the interaction of store attributes and retail store image where formation of store image is on the basis of consumer perceptions of all the associated store attributes. The model further delineates the influences of store image on varied consumer behavior variables, where in all the confirmed relationships supported by existing research findings are depicted with a solid line. However a broken line represents contradictory findings from the literature with regard to relationship amid store image and consumer behavior construct.

Even though not many studies examined associations amid retail store image and the attitude, emotional state, and social cues, outcomes indicate evident influences of consumer's perceptions of retail store image on these variables, and few studies mentioned how the influence varies with store image dimensions. It was found that there are favorable associations of retail store image and decision-making, though decision types varied significantly in the literature. Further, a robust support is identified the existence of the relationship among both patronage reference and approach-avoidance behavior and consumer perceptions of retail store image. Likewise, support relationship of store satisfaction, patronage behavior, and store choice, was established in context of consumer perceptions of retail store image influences. However, contradicting findings were identified in literature when the relationship between perceived retail store image and store loyalty was examined. Finally, the impact of retail store image perceptions on product-specific variables was

found to be significant and supportive, though influences of specific store attributes varied significantly. The consequences of the diverse retail store image studies are broadly contradicting as various store image dimensions influence the consumer behavior variables differently. Few were standalone research findings, while others were not comparable as inconsistency was found in their research methodologies. Thus it is challenging to draw and present a definite conclusion from the research.

The study thus initiates a useful conceptual framework that can be utilized by retailers as they formulate their retailing strategies for targeting customers as well as enhancing their store image. Since customers might see the store image being ingrained in a retail outlet setting as the stimuli intend to influence their behavior. Utilizing the logical conceptual framework, retailer can analyze and improve their marketing and promotional strategies successfully.

7. Limitations

After extensive review and discussion, it was found that some of the findings contradicted the existing literature while few provided standalone conclusions thus it was difficult to state any inference from the same. The retail store image being a multi-dimensional construct was considered by different store elements/attributes thereby there was no uniformity in the scale used thus many a times it was difficult to make conclusions or comparisons. Though this study presents many realistic aspects for the retail practitioners and marketers to examine while planning retail strategies to draw customers, still this work largely covers reviews from extant literature that offers a conceptual and analytical discussion framework for advance assessment through factual data. Several practical analysis are required to provide a more robust framework in order to put up a comprehensive retail marketing strategy to facilitate retailers to augment the impact of this study.

8. Scope for Future Research

The study provides a new landscape for further research as there are several promising areas which have ample of scope for further study. This study has examined the

linkages amid store image and various consumer behavior variables. Since findings from various studies discussed in the study provide extensive contradictions, few secluded findings and conflicting research methodologies, thus presenting challenges to draw perfect conclusions from the research, emphasizing the call for further empirical support. Furthermore, varied dimensions of retail store image can be researched separately in greater detail for in-depth understanding of their role and relationships with various consumer behavior variables.

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Impact on Increasing Retail Credit On Consumption Expenditure in India

(With Special reference to Household Consumption Expenditure)

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Abstract

The importance of retail loans in the current scenario cannot be undermined. Since the advent of new economic policy, India has been undergoing financial engineering. This has given birth to various types of innovations in the financial and banking sector. One of these innovations is related to Personal loans and credit disbursement by the banking sector also known as Retail loans. Retail credit comprises of loans granted to households and individuals in the form of loans given for the purchase of consumer durables, housing loans, education loans, vehicle loans, issue of credit cards etc. Because of this there has been a rise in the household consumption expenditure. The present study is an attempt to know the growth in household consumption expenditure and impact of retail loan disbursement on household consumption expenditure. The study shows that personal loan disbursement has resulted in a positive impact on the private final consumption expenditure thus leading to economic development.

Key Words: Personal loans, Retail loans, Credit, Household Consumption Expenditure, Private Final Consumption Expenditure, Economic Development

Introduction

Ever since advent of new economic policy and liberalization of the economy, the Indian banking sector has been a playfield for development of new financial products and services. The creation of new banking products and services had become almost imperative for the banking sector to face the challenges it was undergoing due to the changes taking place in the economic environment. This led to the emergence of financial engineering in the financial sector and innovative products in the form of retail loans to individuals and households. Retail Credit or retail loans can be defined as the provision

of loans and credit by banks to general public, households and individuals rather than to corporate and business houses. It is one of the important aspects of retail banking. Retail credit is disbursed in the form of loans and advances for consumer durables, vehicles, housing, education, issue of credit cards etc. Credit is like a lubricant for sustaining economic growth. It is an integral part of retail banking (Patnaik, Satpathy and Samal, 2017). Retail credit leads to an increase in personal spending, thus increasing income levels in the economy. This in turn leads to higher Gross Domestic Product (GDP) and thereby faster productivity growth.

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On the other hand corporate credit is granted for productive investments to the business world. The main purpose of granting such credit is to help the entrepreneurs to produce goods and services, generate employment and income and promote economic growth. Corporate credit or simply business loans are given for use as business investment to enhance investment, employment, production and income generation. Retail credit unlike corporate credit, however is not productive. It is granted by the banks or taken by the households to fulfill personal needs of goods and services for direct satisfaction of wants. Yet such loans can cause an increase in consumption expenditure of the households by creating demand for goods and services. This too can lead to economic growth from expenditure angle which is another aspect of measuring economic growth.

Final consumption reflects the final purchase of goods and services. It occurs when the goods are out of the production boundary. It is an important concept in economics as it is regarded as a yardstick for growth and success of an economy. Consumption drives demand which in turn drives investment, production, income generation and therefore employment. Higher spending on consumption of goods and services by the households also leads to a higher standard of living. Personal consumption is affected by many factors such as income level, inflation, prices, taxes etc. Expenditure made on private final consumption of goods and services thus is an important part of Gross Domestic Product (GDP).

According to Keynesian Theory in macroeconomics a higher supply of money in the economy helps to lift the economy from recessionary pressures and move it towards growth, expansion and prosperity. The distribution of retail loans causes an increase in the money supply in the economy by the amount of loans disbursed. The Indian banking industry has been increasingly distributing retail loans since the New Economic Policy was introduced in 1991. Meandering through a series of ups and downs from 1991 to 2019 retail loans segment has now become an integral part of bank lending. The present study has been done to understand how the same is contributing to

increased spending by the household sector and its impact on the same during the period from 2014-15 to 2017-18 as greater spending by the households would lead to prosperity.

Literature Review

The review of literature has been divided into three parts. The first part is related to the relationship between retail loans and economic growth and development, the second part is related to shift in focus and increase in the disbursement of retail loans by the scheduled commercial banks in India whereas the third part is related to facets exploring the relationship between retail loans and few other factors.

i. Retail loans and economic growth

The Keynesian Theory in Economics advocates consumer or household spending to reduce and limit recession. Most of the literature conducted in India and at a global level asserts that retail loan disbursement is a tool to enhance the economic development of the country and profitability of banks. Retail banking according to *Patnaik, Satpathy and Samal (2017)* means provision of banking services and products to individual and household customers for purposes other than business or entrepreneurship. It caters to both the sides of balance sheet by accepting deposits from customers on the liabilities side and offering them various loans on the asset side. While retail banking offers huge opportunities for growth, the retail credit sector too offers good prospects for growth. A study conducted by *Zaker-Ul-Oman (2017)* states that over the past few years, retail lending has become the focus of the banks and the Non Banking Financing Companies (NBFCs) on account of the contrasting fortunes of commercial credit and retail credit. In contrast to the trends of slowing growth and rising delinquent trends exhibited by the commercial lending space, retail lending has exhibited significant robust growth accompanied by declining delinquencies (*economictimes.indiatimes.com*). Retail credit has an important role to play as it enhances consumption and spending. Besides disposable income, per capita income, level of income inequality and

consumer confidence index about the future prices, level of household debt is one of the most important determinants of consumer spending. In a note on consumer spending in India (www.icmrindia.org), consumer spending is considered as an important factor affecting economic growth and development of a country. Consumer spending has played a vital role in the economic development of India. According to a report published by the Bank of Baroda in 2006, consumer expenditure is fuelling economic growth in India. The report further states that the rising income levels, higher disposable income, emergence of new products in the market, brand consciousness and availability of retail credit are the main reasons behind increasing consumption in India. Consumer spending is the most important driving force of the U.S economy and 70 percent of the U.S. economy is driven because of consumer spending (*Kimberly Amadeo, 2019*). The study conducted by the researcher supports the Keynesian Theory that higher consumption would lead to a higher aggregate demand thus impeding recessionary trends. *Sukanya (2016)* observes that retail lending as a part of retail banking, particularly by scheduled commercial banks, has immense potential for the banks in the country by way of expansion of scope of activity and volume of business. At a macro level it can also increase the level of economic activity in the country resulting in higher rates of economic growth for the country. Similar studies have also been carried across the globe. A study conducted in Romania between 1990 and 2014 by *Catalin Emilian Huidumac Petrescu and Alina Pop (2015)* shows that banking sector has played a very crucial role in the growth of Romanian economy by providing funds for increasing consumption and investment and thereby creating jobs, enhancing income and profits. Using regression analysis and taking bank lending, inflation and interest rate as independent variables and gross domestic product as the dependent variable they find that the loans granted by the banking sector have a significant positive effect on the GDP where as inflation and interest rate have an inverse effect. In a study by *Evica Delova and Andovski Ilija (2016)* 44 percent of retail loans are dominated by the consumer loan

portfolio followed by the housing loans at 22 percent. In Macedonia there has been a tremendous growth in the retail loan sector of banking system post 2012 which represents the recovery period post global financial crisis of 2008-09. As stated in their study household consumption expenditure comprises of almost 60 percent of GDP and is a major factor influencing the aggregate demand in an economy. Also disposable income is again the most influential factor affecting consumption expenditure which is also the pillar of Keynesian Consumption function. A study conducted in India by *Vidya Telang (2019)* makes use of regression analysis for studying the impact of various retail loans on economic development of the country and finds that every type of retail loan such as loans for purchase of consumer durables, vehicles, credit card outstandings, education loans etc. shows a positive impact on the Gross Domestic Product (GDP) during the study period of 11 years ranging from 2007-08 to 2017-18.

ii. Shift in focus towards retail banking

Jayati Ghosh and C.P. Chandrashekhar (2016) observe that the rise in retail loans had started from the post-liberalization period. The retail loans by the banking sector had gone through a series of up and downs during that period. There was an upward trend in the distribution of retail loans during from 2002-03 to 2008-09. The sector suffered a setback during the global crisis period from 2008-09 to 2011-12. However since then it has been rising again. During recent times there has been a shift of focus of scheduled commercial banks towards retail banking products. A study by *Vivek Kaul (2018)* reiterates the above fact that the current focus of Indian Banks is now on 'Narrow Banking' i.e. retail banking. This is because of the non-performing loans problem emerging mainly from the corporate sector in India which the scheduled commercial banks in Indian banking sector are facing in a big way today. In fact, in September 2017, the bad loans (loans which haven't been repaid for a period of 90 days or more) had stood at 10.2 percent of the total advances made. Public sector banks constituted a bulk of these bad loans. As of 31 March 2018, the total bad loans of banks stood at

Rs.1035528 crore which was 11.6 percent of the total advances made by these banks. The rising Non-performing Assets (NPAs) of banks were thus the main reason for the scheduled banks getting more inclined towards retail lending. Narrow banking involves banks taking deposits and giving out only retail loans. By 31 March 2013, lending to industry and retail made up for 45.8 percent and 18.4 percent of the non-food credit, respectively. Five years later, the situation has changed completely and lending to industry and retail make up for 35.1 percent and 24.8 percent of the non-food credit, respectively. Basically, the figures reflect that Indian banks have gone more retail over the last five years. Personal lending or retail credit has been gaining a lot of momentum in recent times. The share of retail loans as a percentage of gross credit disbursed by the banks has been continuously rising in the recent past and accounts for more than 24 percent of gross credit disbursed by banks (Saon Ray, Smita Miglani and Sandeep Paul, 2018). Another reason which can be attributed to the growth of retail loans in India is financial inclusion which has emerged as one of the most important objectives of the planning process. It has opened up huge opportunities to all the players in the financial market to innovate and to create new products to tap the market potential especially for those who are out of the net of financial services or belong to under-served places. Vijayalakshmi and Sailaja (2016) opine that the picture of Indian financial sector is undergoing a change. Thus expectations of customer, technology, regulatory requirements, demographic aspects and economics are together making it imperative to change. Retail banking sector of India is also expanding rapidly. The banking industry of India is worth Rs. 81 trillion (US \$ 1.31 trillion) currently. By 2020 as per global perspective it can become the fifth largest bank industry in the entire world and third largest by 2025.

Mammoth population and a low base have made India the fourth largest retail loan lender in the world (VidyaTelang, 2019). Huge demand for housing, consumer goods, vehicles, electronic durables, credit cards and education have caused a surge in retail loans in the Indian banking. All

components of various retail loans showed an increasing trend indicating the huge demand for such loans in India. Also since According to Libina (2016), retail banking has helped the banks to diversify their asset portfolio. As the loans distributed to the household are lesser in value as compared to the corporate loans and as they are given to a large number of customers, the risk of default in repayment is less resulting in lesser NPAs. Thus for the banks it has wide opportunities for growth and profit. Conventional banking scenario is undergoing many changes (Ravikanth, 2016). Banking sector has gained huge momentum during the last five years as far as retail banking and retail lending is concerned banks need to use this segment as a growth trigger. To achieve growth the retail banking sector also needs constant re-engineering to offer more and new products to their customers and also to retain them with themselves. According to Parmanand Barodiya and Anita Singh Chauhan (2015), retail lending which is a growing sector of the economy has contributed significantly to its development. Similar to other developed countries, India also has a developing retail banking sector which currently accounts for one-fifth of all banks credit. Retail lending has emerged as one of the important innovations across the globe in the banking sector. The high growth of retail credit in emerging economies can also be attributed to the increase in personal wealth of the people favourable demographic profile, development of information technology sector, conduciveness of the macroeconomic environment, reforms in financial markets. The strategies in retail banking are also undergoing major changes as banks are beginning to adopt a mix of strategies like achieving organic growth through acquisition and alliance formation. Public Sector Banks (PSBs) are adopting more aggressive strategies and trying to leverage their branch network to garner a larger share of the retail market. Srinivas (2014) opines that there is a need of constant innovation in retail banking products. It is one of the most tremendous areas now days as its contribution to the economy is quite noteworthy. Retail banking industry contributes 7 percent to our GDP and 14 percent to employment.

i. Retail Banking and other factors

Botterill (2010) has linked retail loans to the political mindset of an economy and treated the development and increase in the retail loan portfolio to moral issues and consumerism. A look at India's past prior to 1991 is an evidence of a narrow and discouraging approach towards spending. The emphasis during those times was more on savings which could be channelized into investment and the banking policies related to individual lending were almost non-existent. On political grounds we were more a socialistic pattern of economy than a capitalist one. Borrowing for the purpose of revenue expenditure on goods and gadgets, appliances and vehicles was considered unnecessary and an unwanted, unwarranted liability for the future. With the advent of new economic policy of deregulation and privatization in 1991 the approach towards consumer spending changed completely and retail banking started being considered as a way to let people enjoy a better standard and quality of life.

Closely related to concept of consumerism is an observation made by *Coben* (2016). America as an economy is well known for its consumerism. However the researcher observes that it may not always be correct to relate retail loans to extravagance or being a spendthrift. The rise in personal loans has been attributed more to price rise and inflation accompanied with near stagnant wages. With increase in prices of essential well-being products led to unaffordability of those products for the lower income households in America and due to which they had to resort to personal borrowings thus leading to increase in personal loans in America. A very recent research by *Anker, Thomas* (2020) makes references to consumer autonomy in a marketing world. Though no direct hint at marketing of services is made, he opines that consumer autonomy is the key ethical principle of marketing in capitalistic economies. In case of availability of retail loans and the persuasive tactics used by the public and private sectors bankers in India, retail loans are being seen as financial products

which need to be marketed and sold to people some of whom may be vulnerable or ill informed. This lack of information or even persuasion by the financial intermediaries may result in affecting informed decision making by the consumer. For the banking sector retail loans are being seen as income generating centres and therefore need to be marketed even if they go to the extent of being an imposition on the autonomy of the consumer.

Share of Retail loans in Gross Bank Credit

The share of retail credit in gross bank credit shows an increasing trend (Table No.1). In year 2013 the percentage share of retail credit in gross bank credit was 18.15 which increased to 24.69 percent by March 2018. This shows that retail loans have become an integral part of bank lending in India. From 2013 to 2018 the average share of retail loans in gross bank credit has been 21.15 percent. Similarly we can see that the growth rate in case of retail credit has been much higher than growth rate in gross bank credit throughout the study period. This can be an indication of shifting focus of banks from corporate lending to retail lending. The average rate of growth for the period from 2013 to 2018 for gross bank credit is 9.29 percent where as for retail credit it is 16.22 percent. During 2014-15 the overall retail credit grew by 20 percent even though there was a decline in gross bank credit (*Report on Trend and Progress of Banking Sector in India, RBI 2014-15*). The retail loans robust growth is more driven by housing loans, auto loans and credit card receivables (*Report on Trend and Progress of Banking Sector in India, RBI 2017-18*). As per the same report retail loan segment of bank lending is relatively stress free. The figures as per Table No.1 highly support the findings stated by *Vivek Kaul* (2018) that India is shifting and focusing more on Narrow Banking or Retail Banking as shown by its increasing share in Gross Bank Credit from the period 2013 to 2018.

Table 1: Share of Retail loans in Gross Bank Credit**(Rs.Billion)**

YEAR	Retail loans as a % of Gross bank Credit	% Growth in Gross Bank Credit	% Growth in Retail Credit
2013	18.15	---	---
2014	18.33	13.96	15.07
2015	19.11	7.87	12.50
2016	20.94	8.98	19.37
2017	22.71	7.29	16.36
2018	24.69	8.35	17.81
Average	21.15	9.29	16.22

Source: self-generated (data source www.rbi.org)

From the above reviews of literature it can be observed that the research conducted earlier is quite explicit about the expanding role of retail banking as well as retail credit in an economy. This can be evidenced through the figures derived as in Table No. 1. It can be seen that since the year 2013 the share of retail credit in gross bank loans has been growing constantly. From 18.15 percent in 2013 it has increased to 24.69 percent in 2018. The rate of growth in retail loans has also always been more than the rate of growth in gross bank credit. Its contribution to the growth of an economy cannot be undermined.

Objective of study

The Indian banking industry has been on a spree of retail lending post liberalization. The NPAs resulting from corporate loan portfolio have been taking a toll on banking profitability. Also because of the non-performing assets (NPA) problem related to the corporate sector, the focus of the banks has also become slightly more inclined towards the retail loans. This is because the incidence of NPAs is much lesser in retail lending as compared to corporate lending. Also the retail loans are giving healthier returns to the banking sector (VivekKaul, 2018).

Retail credit has been a part of the Indian banking system for a long time now. But its empirical impact on the

household consumption expenditure has not been studied yet. None of the above researches have quantified the contribution or impact of retail credit on the consumption expenditure of households in India. Thus through this study an attempt has been made to gauge the impact of retail credit on private household final consumption expenditure of Indian economy for the 4 year quarterly period 2014-15 to 2017-18.

The main objectives of this study are:

1. To empirically estimate the impact of Personal Loans excluding Housing loans on Household Consumption Expenditure (PFCE)
2. To measure the multiplier effect of increase in retail loan disbursement on change in personal consumption expenditure.

Research Methodology

The present study has been carried out with the objective of knowing the growth in loans of retail and personal nature during the above-mentioned period and its impact on personal consumption. In the past the Indian economy was not as consumption oriented as it is today. This has happened firstly because of rising incomes and secondly because of availability of retail credit. As discussed above

consumption and generation of demand are primary drivers of growth and economic development of an economy

Data Collection and study period:

The study is based on secondary data collected from journals, research papers and internet sources. The statistical data particularly has been collected from RBI website. The statistical time series data is quarterly in nature and is for the period 2014-15 to 2017-18 (The quarterly time series data is available only from the year 2014-15).

Regression analysis is an econometric tool meant to study the impact of independent variable over another dependent variable. Keeping in consideration the macroeconomic theory regression analysis has been used to study the impact of retail loans on personal expenditure and consumption

Variables under study

1. Independent variable: Personal Loans excluding Housing loans

Personal loans refer to the total amount of retail loans granted by the banks as consumer loans for purchase of durable goods, vehicles, housing, education, credit cards outstanding, advance against fixed deposits, advances against purchase of shares and debentures and miscellaneous loans. It is an indicator of increase in current income of the people meant to be disposed for purchase of goods and services. Personal loans also include loans given for housing. However since Private Final Consumption Expenditure does not comprise of expenditure made on housing but is included as a part of Gross Domestic Capital Formation, therefore the variable Personal Loans is taken after deducting the amount of housing loans granted during the period. It is being used as an independent variable.

2. Dependent Variable: Private Final Consumption Expenditure (PFCE)

This refers to the final consumption expenditure made on durable, semi-durable, non-durable goods and services by

the households and individuals. PFCE is an important ingredient of Gross Domestic Product (GDP) of the country when it is measured on Expenditure basis. GDP is the most important parameter for measuring the growth of a country and any rise in PFCE would automatically reflect the increase in consumption and GDP. Since the expenditure made on residential houses is included in Gross Domestic Capital Formation (GDCF) and not PFCE, PFCE does not however include any expenditure made on acquisition or construction of houses by the household sector. A higher PFCE is also an indicator of increase in the standard of living of the people. PFCE is the dependent variable representing final consumption expenditure of people.

Hypothesis formulation

The Null Hypothesis being formulated is

H_0 = There is a positive impact of retail credit on the household consumption expenditure in India.

The alternative hypotheses is

H_1 = There is no impact of retail credit on the household consumption expenditure in India.

The following univariate empirical model has been used to study the impact of retail credit on household consumption expenditure

$$Y = B_0 + B_1X + u$$

Where,

B_0 = Constant

B_1 = Beta Coefficient of Personal Loans outstanding less Housing loans

Y = Personal Loans outstanding less Housing loans

X = Private Final Consumption Expenditure (PFCE)

u = Error Term

The literature provides several other factors which can affect household consumption expenditure such as income level of the households, education level of the consumers and inclination towards buying more goods for a better lifestyle etc. however the model is a univariate

model and takes into consideration only retail loans disbursement as an independent factor due to unavailability of quarterly data for other factors.

Data Stationarity

Data Stationarity has been ensured by using the Augmented Dicky Fuller Test. Both the personal loans and Private Final Consumption Expenditure have been found to be stationary at first level difference and the results were significant at 5percent.

Growth in Private Final Consumption Expenditure (PFCE) and Personal Loans (excluding housing loans) and Descriptive Statistics

During the study period from 2014-15 to 2017-18 private

final consumption expenditure has grown by 2.13 percent per quarter (Table No.2). On the other hand the average growth for the same period on a quarterly basis for retail lending excluding housing loans has been 4.43 percent. It means that the growth in retail lending during the last four years has been more than twice of growth in personal consumption expenditure. This initiative by the banks reflects that it is being sought to make the people more consumption oriented. It also shows the increasing focus of the banks towards personal lending. The quarterly average retail loans excluding housing loans disbursed during the period amount to Rs. 6588.60 billion with a standard deviation of 1325.53 billion. At the same time the quarterly average for PFCE amounts to Rs.16459 billion with a standard deviation of Rs.1606.28 billion (Appendix

Table 2: Quarterly % Growth rate

YEAR	QUARTER	Personal Loans outstanding excluding Housing Loans	Private Final Consumption Expenditure
2014-15	Q1		
	Q2	1.53	-0.31
	Q3	8.70	6.50
	Q4	1.89	4.89
2015-16	Q1	-0.40	-6.64
	Q2	2.39	2.29
	Q3	7.31	10.33
	Q4	5.84	2.70
2016-17	Q1	3.27	-6.59
	Q2	3.01	1.54
	Q3	1.89	12.21
	Q4	5.41	-2.08
2017-18	Q1	5.04	-4.15
	Q2	6.58	1.43
	Q3	5.48	11.19
	Q4	8.54	-1.31
	AVERAGE	4.43	2.13

Source: self-generated (data source www.rbi.org)

Impact of Personal Loans (excluding housing loans) on Private Final Consumption Expenditure (PFCE)

Table 3: Regression

	Coefficients	Standard Error	T Stat	P-Value	R Square
Intercept	9209.66	910.65	10.11	0.00	0.82
Personal loans excluding household loans	1.10	0.14	8.11	0.00	

Analysis and Interpretation and Discussion

From the above Table No.3 we can see that the Coefficient of determination R^2 for the model is 0.82 i.e. 82 percent. It means that the independent variable in the model is able to explain the variations in the private final consumption expenditure to the extent of 82 percent. The regression results also show that there is a positive impact of retail and personal loans of the banking sector on consumption expenditure the positive coefficient being 1.1 which means that a 1 percent increase in personal loans would lead to 1.1 percent increase in PFCE. Thus higher the disbursement of retail loans higher is the consumption expenditure made by households. It reflects that the distribution of retail loans and a relaxed and liberal credit policy by banking sector in India has impacted the household consumption sector in a favourable way. The results are also highly statistically significant at 5 percent. The null hypotheses thus stands accepted that grant of retail and loans of personal nature have had a positive effect on the consumption expenditure of households. Also the alternate hypothesis that there is no effect of retail loans on household consumption simultaneously stands rejected. It is pertinent to note that during the study period the average rate of growth in household consumption expenditure has been 7.84 percent and in case of GDP the average growth rate has been 11.07 percent (*rbi.org.in*).

The results derived above support the previous researches by *Zaker-Ul-Oman* (2017) and *Vivek Kaul* (2018) regarding

the increase in retail lending by the scheduled commercial banks in India. The focus of banks during the study period has been shifting more and more towards retail credit more than corporate credit. Also as per *Kimberly Amadeo* (2019) which states that household consumption has been the driving force of U.S. economy, similarly the results of the present study in India are pointers to the fact that the positive significant impact on private final consumption expenditure has also contributed to the growth of Indian economy. The results also support the Keynesian Theory which propounds greater household consumption for limiting recession and achieving economic growth.

The Loan Multiplier Effect – Ratio between Quarterly change in Private Final Consumption Expenditure and Personal loans (excluding housing loans)

In Economics, the ratio of change in one variable and change in another variable is known as the multiplier effect. Just like increase in investment causes an increase in income generated in the economy in multiples and is measured through Investment Multiplier similarly it has been established above through regression that personal loans affect the consumption expenditure of the households. This phenomenon can be treated as similar to Investment Multiplier and can aptly be called as Loan Multiplier. Table No.4 depicts the loan multiplier effect of the change in PFCE due to change in Personal loans (excluding housing loans). The loan multiplier has been calculated as:

$$\text{Loan Multiplier} = \frac{\text{Change in Private Final Consumption Expenditure}}{\text{Change in Personal Loans}}$$

Table4: Loan Multiplier effect

YEAR	QUARTER	Change in Personal Loans outstanding (excluding Housing Loans)	Change in PFCE	Loan Multiplier (Change in PFCE/ Change in Personal Loans excluding Housing Loans)
2014-15	Q1			
	Q2	74.75	-43.61	-0.58
	Q3	431.71	917.72	2.13
	Q4	102.02	735.36	7.21
2015-16	Q1	-22.05	-1047.10	47.48
	Q2	130.60	337.60	2.59
	Q3	409.97	1556.54	3.80
	Q4	351.01	449.41	1.28
2016-17	Q1	208.31	-1125.38	-5.40
	Q2	198.10	245.62	1.24
	Q3	128.08	1977.68	15.44
	Q4	373.16	-377.65	-1.01
2017-18	Q1	366.89	-738.11	-2.01
	Q2	503.02	243.15	0.48
	Q3	446.54	1937.03	4.34
	Q4	733.94	-251.47	-0.34

Source: self-generated (data source www.rbi.org)

Table No.4 depicts the Multiplier Effect of change in personal loans excluding housing loans on Private Final consumption expenditure on a quarterly basis. Though it is difficult to draw any behavioural patterns from the above table with certainty it can be observed that there is a negative change in personal loans only once during First Quarter of year 2015-16. Otherwise throughout the study period, the retail loans are showing an increase on a quarterly basis. However the same pattern cannot be observed for PFCE. It has decreased several times during the period despite of an increase in outstanding personal loans. It is also interesting to note that usually during the second and third quarter there is a forward action of the

multiplier which means that an absolute change in the personal loans has led to a bigger absolute change in PFCE. In India the second and third quarter of the financial year i.e. second quarter Q2 and third quarter Q3 represent the months from July to September and October to December respectively. These months are festival months with all major festivals like Ganesh festival, Navratri festival, Dussehra and Diwali falling in this period and are considered quite auspicious for purchase of any kind of durable goods including vehicles. It is thus quite understandable that the PFCE during this period would be quite high leading to a positive forward multiplier effect. The Loan Multiplier effect has been even more prominent

during the third quarter of the study period. For all the years it has been 2.13, 3.80, 15.44 and 4.34 for the years 2014-15 to 2017-18 respectively. It indicates that during this period the change in PFCE in relation to the change in personal loans has been as many times as mentioned above. On the other hand while moving from quarter four (Q4) to quarter one (Q1) there is a backward multiplier effect which means that the PFCE shows an actual decrease. Again it is noteworthy to note that the fourth quarter of the preceding year and the first quarter of the next year represent the closing of a financial year and the transition to the next financial year and are therefore related to tax payments and tax planning. Therefore the focus of the people would be more on saving than on expending. The households would be more interested in channelizing their savings in tax saving schemes than on purchase of goods and consumer durables. That justifies the decrease in PFCE during this period leading to a backward multiplier effect.

Conclusion

Retail loans are a result of financial engineering which has led to designing of customised financial products as per the needs of the consumer. The personal loans by the banking sector in India help the expending capacity of the consumers and households by increasing their current capital income (the augmented income is in the form of loans) and therefore disposable income. Due to the enhanced retail loan portfolio of banks the household sector has been able to increase their expenditure on final purchases thus triggering higher demand for the economy. Demand and consumption are the most important factors which effect the growth of an economy. Private or Household Final Consumption expenditure is an important part of GDP measurement. Household consumption is again dependent on the personal disposable income of a household. From the above results of regression it can be inferred that the disbursement of retail loans has had a positive impact on the consumption expenditure and thus economic development of the country.

A report by *Gayatri Nayak* (2019) states that ever since

opening of the Indian economy in 1991, the consumer spending has gone up tremendously and today the consumer does not think twice before borrowing for his various consumer goods need. This rising trend of consumer spending and changing behaviour of people towards going in for credit and borrowings to satisfy their needs for goods and services has acted as a booster for the banks to diversify their products towards creating various types of lending products. The same report also states that because of the non-viability of corporate lending the banks have moved towards providing more and more retail loans. The findings of the study also support the results of study by *Vidya Telang* (2019) that retail loans have been a major cause of economic development. In the current study also it can be very well understood that retail loans have had a positive effect on economic growth manifested through positive impact on personal consumption expenditure. This again takes us back to some of the researches made by the *Botterill, Jacqueline* (2010), *Anker, Thomas* (2020), *Cohen, Joseph N.* (2016). In India the banks are oblivious to the fact as to whether their marketing tactics are in anyway affecting consumer autonomy or whether the change in the economic policy outlook justifies the conservative banking approach to a highly open approach towards borrowings and loans. The redeeming feature about the discussion is that retail loans have certainly helped to improve the standard of living of the people at the same time creating an additional liability on them.

Policy Implications

As stated earlier banking sector is in current times besotted with huge challenges. The relaxation of norms by RBI has given a lot of freedom to the Scheduled Commercial Banks (SCBs) to design their own products and decide their own interest rates. This has caused a greater level of competition between different types of banks. The current study has shown that personal loans also have a forward multiplier effect on PFCE specifically during second quarter (Q2) and third quarter (Q3). From the above analysis it can also be seen that the second and the third quarter of the year show a higher amount of consumption

expenditure. The banks can make use of this information and analysis to design more customised loan products in retail banking sector and offer more competitive interest rates on loans to take advantage of the festive season in India. This can enhance the revenue generated from retail loans for the banks and also lead to enhanced profitability.

Limitations of the study

The main limitation of the study is the data for personal loans on a quarterly basis is available at RBI site only from the year 2014-15. Therefore the study period is limited only to 4 years i.e. 16 quarters. Also since November 2016 the economy has been under the repercussions of Demonetisation which may have affected the aggregate demand of economy adversely. This may have consequently also affected the demand for retail loans.

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APPENDIX TABLE 5
Personal Loans excluding Housing Loans and
Private Final Consumption Expenditure (PFCE)

(Rs.Billion)

YEAR	QUARTER	Personal Loans excluding Housing Loans)	PFCE/
2014-15	Q1	4887.77	
	Q2	4962.52	-0.58
	Q3	5394.23	2.13
	Q4	5496.25	7.21
2015-16	Q1	5474.19	47.48
	Q2	5604.79	2.59
	Q3	6014.76	3.80
	Q4	6365.77	1.28
2016-17	Q1	6574.08	-5.40
	Q2	6772.18	1.24
	Q3	6900.27	15.44
	Q4	7273.43	-1.01
2017-18	Q1	7640.33	-2.01
	Q2	8143.35	0.48
	Q3	8589.89	4.34
	Q4	9323.83	-0.34
		6588.60	
		1325.53	

Source: RBI Handbook of Statistics on Indian Economy
Average and Standard Deviation have been self-computed

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