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From Complaint Handling to Customer Commitment: An Investigation in Indian Context

Kavita Sharma¹ and Swati Aggarwal²

The present study explores distributive justice, procedural justice and interactional justice - the three dimensional view that the justice literature provides to understand the process of complaint handling and satisfaction - on the bases of customers' perception in Indian context. Customers' perception of justice dimensions that result into complaint satisfaction forms the bases to their relations with firm in terms of commitment and loyalty. The study finds distributive justice assume more dominant position in complaint satisfaction and also supports past researches in terms of effect of complaint satisfaction on continuance, normative and affective types of commitment. The pattern of relationship between complaint satisfaction and commitment types, however, differ across different exchange situations involving FMCG, Non-FMCG and service products. Using questionnaire based survey responses of 835 respondents; hypothesised relationships were tested using SmartPLS version 2.0 for model testing. Since, the study helps in understanding the way complaint handling mechanism leads to commitment, marketers can benefit by developing effective complaint handling programs.

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Board Traits and Firm Performance: Empirical Evidence from Indian FMCG Sector

J. P. Sharma¹ and Jyoti Paul²

Boards have become very important for smooth and efficient running of the organizations. Their various characteristics are investigated in this paper to find out whether they have any impact on firm performance. The dearth of sector specific studies in the area of corporate governance has been the stimulus to conduct such a research work. Secondary data sources have been used extensively for the 107 companies from Indian FMCG sector. They were analyzed in respect of their board traits and panel data regression was used to find out any relation between such board traits and firm performance. Tobin's Q and ROA were the two performance variables chosen for this purpose. The OLS results show the point estimates came out to be significant in case of Board size. Separation of Chair and CEO posts has a positive impact in case of market based performance. Board independence shows no significant relationship with both the performance measures. The OLS results show market gives premium for separation of roles of Chairman and CEO. The OLS results show larger boards committees' size gives positive signals in the market and hence improve financial performance

Key words: Board Traits, Firm Performance, Q, ROA

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Interest Rate Movements and Stock Returns: A Panel Data Approach

K. Latha¹, Sunita Gupta² and Renu Ghosh³

The present study attempts to examine the relationship between interest rate movements and stock returns in India by using the methodology of panel regression. The study spans the period from 1st April 1996 to 30th August 2014. Sample used in the study consists of all financial and non-financial companies listed in the S&P CNX 500 index with continuous availability of share prices over the study period. Time series used in the present study is non-stationary; it was however found to be stationary at the first difference. Stock returns in India exhibit significant exposure with both market returns and interest rate changes. Both the financial sector and non-financial sector stocks are potentially affected by interest rate changes but the magnitude of impact varies widely.

The impact of interest rate changes on common stock returns of financial institution is higher as compared to non-financial institutions. In case of financial firms, the impact of interest rate movements is higher on banking firms compared to non-banking financial firms. In case of non-financial firms, the moderate relationship is found between stock returns and interest rate changes for automobile, cement & cement products, chemical products, construction, consumer goods, energy, industrial manufacturing, IT, metal products and pharma sectors, whereas this relationship is found to be weak for fertilizer & pesticides products, health, media & entertainment, service, telecom and textile sectors respectively.

Key words: Stock Returns, Interest Rate, Panel Regression, Financial Sector and Non-Financial Sector.

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Women on Corporate Boards: A Study of Select Listed Indian Companies

Sunaina Kanojia¹ and Gunjan Khanna²

The urge of flawless and efficient board to create corporate excellence through corporate governance, policies and provisions countries across the world are moving towards diverse boards, especially gender diverse boards. Recognizing the limitations of traditional board composition this study identified the characteristics of the companies to explain the status of gender diverse boards in India. This present study dwells on the penetration of women on corporate boards and its trend in S&P CNX 200 index companies over a period of four years prior to the implementation of mandatory provision (i.e. 2012-2015) along with the structural comparison of twenty nine countries including sixteen European Union member countries, six Asian countries and seven other countries. The results of data analysis revealed that in India women participation on corporate boards is at the stage of tokenism as only larger boards have few women directors. Even there is a variation in number of women directors across various industries but the number is not significant in any case. Increased attention to the issue of women on corporate boards under the provisions of Companies Act, 2013 presents new challenges to corporate sector in India. This study presents the probable challenges to for the companies to encourage diverse composition of the boards by expounding the status of women on corporate boards in India and its probable significant impact.

Key words: Gender Diverse Boards, Corporate Governance

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A Study of Long Term Trend in Behavior of Lending to Micro and Small Enterprises with Reference to Nationalized Banks in India

Bibhu Prasad Sahoo¹, Amandeep Singh² and Neeraj Jain³

*Banking plays a silent, yet crucial part in our day-to-day lives. The economic development of any country depends on real as well as monetary factors. In this globally competitive world we cannot underestimate the importance of banking and the monetary mechanism. Banking machinery of a country is geared to the economic development of the country. Banking business has done wonders for the world economy. But on the flip side; financial inclusion has continued to remain one of the biggest challenges for the banking sector across world. Especially in India traditional banking model has failed to penetrate the low-income and self-employed segment. The present study examines the penetration (financial inclusion) and long term behavior of lending to Micro and Small Scale Enterprise by Nationalized banks in India. **The annual data on credit to micro and small scale enterprises by all nationalized banks period from 1st April 2005 to 31st March 2015 (total span of 10 years) has been considered. The study finds that the total credit extended to micro and small scale enterprises has been increasing; however, the rate of change is highly variable. The present research suggests channelizing more credits for micro and small enterprise, as it is potential growth drivers for Indian economy.***

Key words: Nationalized Banks, Long Term Trend, Micro and Small Enterprise

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Case Study

Uber Referral: Successful Marketing Strategy

Kiran Bala¹ and Shikha Sachdeva²

INTRODUCTION

Uber's CEO Travis Kalanick stated “*Uber is always a reliable ride. Being unavailable, inconvenient is the opposite of Uber. Being Uber means being “Always On” and “Always Convenient”.*

Uber (Taxi) is a part of the Startups portfolio, is a leading taxi hailing application covering more than 507 cities across 66 countries. The company's been busy doing some impressive things like getting millions of application downloads, reaching a milestone of copious drivers on its network, and a profit of 10 billion dollars in 2015, the highest raise for any startup. Uber managed to recruit 20000 new drivers in a day (Harvard Business Review. The company is fulfilling over one million rides on a daily basis and currently has over eightmillion users. The company's fast rise to success directly correlates with the decrease in traditional taxi usage.

Uber is a technology company that provides a smart phone application connecting driver-partners with people who need a ride. Uber's application allows a rider to request a ride with the push of a button and track the car's progress toward the requested pickup location. Plus, Uber notifies the rider once the car arrives so customer can wait comfortably indoors in the meantime. Rather than trying to locate the nearest taxi stand or futilely attempting to hail a cab, Indians can now get a ride with the press of a button and rest assured it will arrive in less than four minutes on average. Drivers have been freed from a feudal medallion scheme that put them at the mercy of a small number of powerful and protected taxi owners who controlled their opportunity to earn a living. They have now effectively become small business owners and on the top of it flexible working hours that fit their needs while keeping 80% of their fares.

BRIEF SWOT ANALYSIS OF UBER

Slowly and gradually Uber is penetrating in the market with full vigour and trying its luck in the global market. There are plenty of strengths that Uber is showing , be it from the point of view of the customers/ users or from the point of view of the employees/ drivers especially. The strengths include the provision of being cashless, the dynamism of the global environment which includes the use of plastic money is very well served by Uber, unlike the taxi industry Uber doesn't employ or license its drivers rather views them as independent contractors, this does not create a liability on the drivers. One of the significant aspects is dual rating system where not only the customers can rate the driver but the drivers can also rate the customers, this innovation boosts safety and faith in the system.

On the other hand when it comes to certain weaknesses, though uber is trying to penetrate in the global market but certain issues like poor infrastructure, bad reputa due to lack of employee loyalty , high

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Book Review

Match The Age To Keep Them Engaged - Decoding the secrets of creating a happy workplace by Deepak Malhotra (2015), Bloomsbury Publishing India Ltd., New Delhi, p 204

Vijay Kumar Shrotryia¹

The dominance of competitive business environment is compelling the organizations to devise ways to control cost and improve efficiency. Organizational effectiveness has become much larger a challenge to deal with especially in the last few decades. The role of HR is becoming crucial and for sustaining organizational performance, improving workplaces and retaining talent is the key. In these times Dr Deepak Malhotra brings out this volume which is based on his primary research and personal experiences to raise and answer some of the key questions to deal with employees at the workplaces and to transform these workplaces into happy workplaces.



I share my concern on employability with the author. We are in different times and we need to develop the workforce to deal with challenges at the transforming workfronts. Employees have to develop an attitude to respond to the call of time. The figures on employability of our youth are really shocking. All of us have this challenge to deal with.

Employee Engagement has caught the attention of HR academicians and practitioners and in that continuity this book is able to attract the attention to look at the concept from a different angle. One cannot have same yardstick to measure the performance of all the employees. Similarly organizations cannot have same process of engaging the employees of all ages. This is the basic premise of the book which provides an impressive account of his research findings as well as prescriptions to the managers to follow certain paths to respond to the needs to the workforce. Their needs are different and so should be their responses and remedies.

The book begins with the research procedure and key findings which further leads the way to suggest measures to improve work environment through effectively engaging employees based on their age. There seems to be no difference in the degree of engagement so far as gender is concerned however number of years spent in the organization show

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Corporate Article

Corporate Social Responsibility: Benefitting the stakeholders

Rakesh Kumar¹

The term 'CSR' refers to Corporate Social Responsibility. Social Responsibility means corporate sectors have been made responsible for investment in the social areas such as education, health, nutrition, women empowerment etc. so that the lowest strata of the society may join with the progress of the nation.

Society, being one of the stakeholders, is supposed to be taken care of by the corporates but the same was not being done on a large scale few years back, though the concept of CSR in our country is not new as Philanthropy and charity works are being done in the country since long period though these were not known as CSR those days. Tata Group started this concept long ago and did several works for the betterment of the society. Some IT giants such as Wipro, TCS also contributed a lots towards developing the skills of the people while company like ITC made several efforts to improve the standards of livelihood of rural communities. Notwithstanding the facts that these efforts have made significant contribution in the society in the past, it is equally true that these efforts are like a drop in an ocean considering that major population of the country still living in villages with very less income or income below the poverty line.

In the past, some questions have arisen as to whether business means social service? Even if so, whether it is only the responsibility of the public sectors or private sectors too because the prime motive of the private sectors is to maximise their profit. Whether all business organisations should go for CSR at the cost of its profitability? Here, what we need to understand is that every company involve various stakeholders in conducting their business activities, therefore, as a part of Business Ethics, all the decisions of the company are supposed to take care of the interest of all the stakeholders. For example: if it is a fabric manufacturing company, it requires cotton as its raw material however growing cotton takes a lot of water. It can take more than 20,000 litres of water to produce 1kg of cotton. Hence, the preservation of ground water is very much important for the company. In addition to this, other issues such as health, education, proper training & skill upgradation of the farmers, who are involved in the plantation of cotton are equally important and are to be taken care of by the company.

Company may view it as an extra expenditure but it is altogether other way round. Company needs to do these activities if it wants to sustain its business for a long time. It may look surprising but yes, to continue the fabric manufacturing business for a long time, the company requires sufficient raw materials i.e cotton and therefore, good production of cotton can't be ensured without sufficient ground water availability and hence, CSR is also linked to Sustainability. Sustainable Development has been defined by the Brundtland Commission as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Corporate sustainability is a strategy for the sustainable development by drawing a balanced approach towards the betterment of triple bottom line i.e. people, profits & planet, though there is some difference in CSR and Sustainability.

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Journal of Commerce and Business Studies

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