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Content

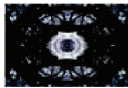# A Study on Impact of Stress on Work Performance of Textile Employees

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Abstract: The textile sector is fetching gradually competitive around the world and the level of product and service quality being offered to customer is latest and depends on quality of work done. Hence, the management adds more responsibilities on the shoulders of employees, resulting into a pressure on them, with increasing psychological problems like stress, strain, anxiety, depression, sleep disorders and so on. In textile sector, employees exposed to greater amount of stress due to work specific factors, management pressure, working background, personal grievances of employees, and group influences on the work performance. Apart from internal stress employees are affected highly because of external stress. In these study 100 samples has been selected through simple random sampling procedure. A structured, well-designed questionnaire has been administered to collect data from the respondents. The questionnaire consists of four sections like personal data, factors responsible for stress, internal sources of stress, and external sources of stress. Simple percentage analysis, factor analysis, multiple linear regression, chi-square test are the different statistical tools applied to analyze the data collected from the respondents. This study concluded that both the internal and external stress will have an impact on the work performance of the textile employees.

INTRODUCTION

Stress is an emotional and physical reaction to change. Everyone has stress, in today's changing and competitive work environment; stress level is increasing both in the workers as well as the executives. As a result of this work stress, more and more executives are showing signs of chronic fatigue and burnout. Many recent studies have concluded that stressed out managers are not good and it leads to reduced efficiency in even the best of individuals, which in turn lead to reduced productivity. Stress can be a result of both positive and negative experiences, and it is a part of our daily lives. From an evolutionary standpoint stress was necessary for survival and some stress continues to be a helpful part of our modern livers since it motivates us to accomplish tasks or make needed changes. We all feel the pressure of our environment during times of transition and in preparation for significant life events. Although response to stress is often adaptive, too much stress or an inability to cope with it can cause negative emotional and physical symptoms.

Stress is associated with constraints and demands. The former prevents an individual from doing what he or she desires. The latter refers to the loss of something desired. Aspiring to own a new car and not be to mobilize the necessary cash is a constraint. Desired to attend a social function but unable to attend because of pressing official work amounts to a demand. Both constraints and demands can lead to potential stress, if it coupled with uncertainty of the outcome and importance of the outcome, potential stress becomes actual stress. Stress is high when there is uncertainty of outcome, and the outcome is significant. Stress is highly individualistic in nature. Some people have high tolerance for stress and thrive well in face of several stressors in the environment. In fact, some individuals will not perform well unless they experience a level of stress, which activates and energizes them to put forth their best efforts. On the other hand, some people have very low level of tolerance for stress and they become paralyzed when they have to

interface with routine everyday factors that appear undesirable to them. In an optimum level of stress an employee will perform to full capacity of his own.

PROBLEM STATEMENT

Stress in the work place can affect the performance of employees' and at the same time indirectly affects the organization persistence because if employees decrease their work efficiency and can't work best for their organizations, so this situation couldn't be only affected the organizational performance but also lost strong potential in an progressively competitive market, and may even threaten their existence. It is for that reason, an indispensable assignment for management to deal efficiently and prevents employee anguish. It is the accountability of management to battle against the stress at work, to categorize the suitable course of action and solve them. Cultivating stress deterrence is a positive action that contributes to a better health of workers and constructs great organization efficiency and performance. Even though there are abundant work-related problems are being faced by employees in textile companies. On the other hand, stress is very common in textile employees due to multiple reasons, which demand the solution on the priority basis.

Generally textile industry consists of spinning, dyeing, processing, weaving, fabricating and merchandizing. This study based on the sample of spinning and weaving sector employees employed in Coimbatore district. There is several works and non-work related stresses are responsible for the poor work performance of the employees. The employees working in textile sectors are facing stiff occupational stress rather than any other industries. Also they are all facing respiratory diseases, skin allergies etc. Stress directly affects the work performance of the company. High absenteeism, conflict and dispute with co-workers, showing disrespect on the superior and management, whistle blowing about the company, showing non-interest to safeguard the assets of the company are the indications to stress of employees and this will cause for poor work performance. In addition to that personal complaints with pay related issues and promotion related issues might lead for stress among the employees. The employees are sometimes get disturbed by external factors. These external factors are causing illness, revenue fall, legal and prestige issues, difficult to balance work and life, impossibility to fulfill family needs and requirements are the different facets of external stress. Hence, this present study attempted to study the impact of stress on work performance of textile employees.

LITERATURE REVIEW

Several studies have been done to examine the effect of stress and organizational position on workers' job satisfaction, performance, and health. Stress is deliberated to be one of the foremost subjects in the research for last two decades and a substantial growth observe in researchers' interest as a concern to both employers and employees (Hochwarter et al. 2007, Cartwright, 2000). Stress is the destructive physical, mental and emotional reaction that transpires when there is a poor match between job demands and competencies or employees' resources to manage with job pressure. It is a condition ushered by suffering physical, mental, psychological or social problem that comes from individual feeling that doesn't be able to respond due to unexpected situations. The basic root cause of stress in the organization, when employees face difficulties and changes in his daily working routine but always avoid and this condition creates stress, anxiety, fears, worries, tension, etc. (Akinboye et al. 2002).Scott, Jusanne and Steven (2000) reported that working conditions associates with employees' job involvement and job satisfaction. Strong et

al. (1999) in a study observed that social, organizational and physical context serve as the impetus for tasks and activities, and considerably influence workers' performance and work output. Gardner (2005), investigated on the employees possessing emotional intelligent competencies succeed their negative emotions in the workplace and report fewer psychological problems with high levels of job satisfaction and organizational commitment. Another study by Bar-On (2000) examined the impact of emotional intelligence on police department officers and health-care professionals. They conclude that police officers have high emotional intelligence to respond the stress with better managing tactics and report less depression comparatively than health-care professionals having low emotional intelligence. Slaski et al.(2002), examined the emotional intelligence competencies generate the skill in individual to choose various courses of action to deal stress without collapsing, to be positive to solve a problem, and feel that one can control the situation. Rahim (2010), attempted his study with increasing psychological problems i.e. stress, strain, anxiety, depression, sleep disorders, etc. This situation, in which the employees have little or no sense of identification with their job, can cause an individual looking for another job or don't perform efficiently their own. Srivastava (2008), examined the effect of two constituents of work environment, that is, physical and psychosocial on employees' job satisfaction and performance, and organizational effectiveness. It revealed that participants who perceived their work environment as to be adequate and favorable scored comparatively higher on the measures of job satisfaction, performance, and perceived organizational effectiveness.

Clements et al. (2000) research has shown that crowded work places, job dissatisfaction and physical environment are the main factors affecting productivity. The data was produced and analyzed using occupational stress indicator in conjunction with the analytical hierarchical process. Devonport et al. (2008) recognized the sources of stress and suggested certain coping strategies among Lecturers. The study listed out three types of stress, namely, organizational stress, subject-linked stress and non-organizational stress that affect the sample population.

OBJECTIVES
The study was undertaken with the following objectives:
- To check the personal background of textile employees who exposed to stress.
- To analyze the factors responsible for stress in work place in the textile employees.
- To examine the internal sources of stress affecting on work performance of textile employees.
- To check the external sources of stress affecting on work performance of textile employees.
- To identify the relationship between personal background of employees and external sources of stress on work performance.

METHODOLOGY
Sample and Data
This study is based on the survey conducted with structured, non-disguised interview schedule is prepared for the purpose of collecting the data. The factors of the study are drawn out from the related studies and the statements of the schedule are framed representing the employees. These are given shape in consultation with the field experts. This study is confined to Coimbatore district textile employees and the primary data was collected from 100 respondents. In this study convenience sampling technique has been adopted for selecting samples. Primary data is collected from the textile employees by using questionnaire during the period from June 2011 to Au-

gust 2011. The questionnaire is pre-tested with 10 employees and revised in the light of the experience gained from the pretest conducted. For the purpose of data collection, the questionnaire has been divided into two sections. First section is designed with the questions to get personal information from the employees and second section is equipped with the questions to ask stress related issues and their suggestions to avoid stress in the workplace. Second section consists of four parts, first parts interprets reasons for stress, second part deals with internal sources of stress having impact on the work performance, third part discusses external sources of stress having impact on the work performance and fourth part deals with the remedial measures to overcome stress in the workplace. Apart from primary collected, this study collects fewer secondary data from books on stress management, journals on the field of management, reports and news from the dailies are also considered.

Data Analysis

The information acquired from second part of questionnaire in second section has been distinguished on five point Likert scale. Mark has been assigned 5 to 1, 5 is for 'Strongly Agree', 4 is for 'Agree', 3 is for 'Neutral', 2 is for 'Disagree' and 1 is for 'Strongly Disagree''. Factor analysis, multiple linear regression, and chi-square test have been adopted to analyze the data collected from employees and get interpretations for this study. Large number of variables can be condensed into lesser dimensions by using Factor analysis, it is used to identify the significant internal source of stress influencing on work performance of the employees. Impact of external stress on the work performance has been checked with the multiple linear regression technique. External sources of stress are compared with the socio economic background of respondents and it is analyzed through chi-square test analysis. Demographic data of respondents is simply checked with the simple percentage analysis.

RESULTS AND DISCUSSIONS

Analysis of Demographic Data

Table 1 presents the distribution of prominent personal characteristics like gender, age, education, marital status, monthly income, experience and nativity of the respondents. Simple percentage analysis has been used to analysis.

Table 1 – Personal Background of Respondents

Background	Particulars	Percentage
Gender	Male	89%
	Female	11%
Age	18 – 25	19%
	26 – 35	23%
	36 – 45	28%
	46 – 55	21%
	56 & Above	9%
Education	Illiterate	12%
	Up to HSC	32%
	Diploma	26%
	Degree	30%
Monthly Salary	Below 5,000	24%
	5,001 – 10,000	21%
	10,001 – 15,000	19%
	15,001 – 25,000	22%
	Above 25,001	14%
Marital status	Married	62%
	Unmarried	38%
Experience	0 – 1 year	19%
	2 – 4 years	34%
	5 – 10 years	17%
	11 – 15 years	17%

	More than 15 years	13%
	Home-town	36%
Nativity	Stayed	42%
	Day-Scholar	22%

(Source: Primary Data)

It is evident from the table–1; the sample consists of 89% of male employees and 11% of female employees. The employee age is classified with five intervals; the first consists of 18-25 years, 19% of employees falling in this group, 23% of respondents are coming in the age group between 26-35 years, 28% of respondents are in the age group of 36-45 years, 21% or respondents are falling in the age of 46-55 years and the rest 9% employees are more than 56 years. The education of the employees are collected 12% are illiterate, 32% are having qualification of less than Higher Secondary, 26% employees are diploma candidates and rest 30% are degree holders. In order to check the monthly salary of the employees, the salary level is bifurcated into five proportions, 24% of respondents salary level is less than 5,000 per month. 21% of respondents' salary is falls fewer than 5,001 to 10,000 per month, 19% of respondents' earnings falls in 10,001 to 15,000, and 22% of respondents salary is up to 25,000 per month and rest 14% are earning a monthly salary of more than 25,000. Marital status of the respondents explains 62% are married and remaining 38% are unmarried. There is no employee coming under the category of divorced and widow and hence it is excluded. Respondents experience is checked with 5 dimensions and majority of 34% of respondents are having 2-4 years of experience. 17% of respondents are falling under 5-10 years and 10-15 years respectively. Fresh candidates are 19% of the sample collected. Then their nativity is checked, 36% are hometown area, 42% are stayed in hostel and nearby locations and rest 22% are day-scholars.

Factors Responsible for Stress

Work stress is caused both by factors in the internal working environment and its dimensions and external environment into the workplace. Both factors equally affect the work performance of the employees. Causes of stress vary from person to person. Some common causes of stress can be a death of a family member, illness, taking care of family, relationship changes, work, job change, moving and money. Even small things such as long waits or delays or traffic can cause stress. There are many ways that an employee may be challenged. Perhaps it related with the changing wayof life, like when getting a new job. Perhaps it related with the solution to a problem, or finishing a task within a short amount of time. Stress always comes with the challenges, these challenges are called stressors. Stressors come in all shapes and forms. Happenings of major events are one type of stressor. The list below shows some types of internal as well external stress related with an employee engaged in textile industry.

Table 2–Factors Responsible for Stress

External Factors	Internal Factors
Family Circumstances	Work/Occupational Stress
Daily Travel to workplace	Personal Complaints
Economic Conditions (Income loss)	Management influences
Quality of Life	Group influences
Physiological	Working conditions
Work-life Balance	
Social Disruptions	

(Source: Primary data)

Sources of Internal Stress Factors

Stress is a reality of work life of an individual. Likewise, stress experienced at home, work and non-work situations can be carried over to the work place, which might heighten and multiply the stresses experienced at work. Internal stress generated from four sources, like organizational

stress, group stress, superior stress, individual stress, and work stress. These factors are categorized with sub components and tabulated accordingly and presented in table 3.

Table 3 - Results of Factor Analysis

Factors	Components	Factor Loading	Eigen Value	% of Variance Explained
Work Stress	Mechanical Threats	0.829	6.965	23.492
	Physical Injuries	0.822		
	Chemical Dangers	0.711		
	Fire Problems	0.639		
	Respiratory Diseases	0.723		
	No Safety Instruments	0.732		
	Excess Workload	0.878		
	Rigid Schedule	0.672		
	Role Problems	0.824		
Management Influences	Excess Working hours	0.872	5.914	17.435
	Hostile Command	0.748		
	Oppressive Control	0.728		
	Low Employee Value	0.793		
	Lack of Recognition	0.816		
	Less Freedom & Autonomy	0.790		
	Torture Culture	0.819		
	Nuisance Operation	0.779		
Personal Complaints	Low Salary	0.876	5.103	13.216
	No Elevation	0.834		
	Less Job Security	0.635		
	Inadequate Leave	0.668		
	No In-job Training	0.624		
	Workmen Compensation	0.521		
	No Retiral Benefits	0.726		
Working Background	Frequent Transfers	0.818	4.134	10.352
	Low Ventilation	0.798		
	Dust and Fume	0.812		
	Inadequate Safety	0.795		
	Poor Lighting	0.723		
	Improper Layout	0.618		
	Defective Machines	0.801		
Group Influences	Group Cohesiveness	0.788	3.248	5.189
	Disrespect	0.833		
	Politics	0.846		
	Conflict	0.592		
	Association Dispute	0.587		

(Source: Primary data)

Factor analysis narrates five factors on internal sources of stress. Generally employees in an organization is exposed to several stress, these are all included in the five categories like, work stress, management influences, personal complains, working background and group influences are the different paradigms in stress sources. Put together all these five factors explain 69.684% of variations in data. Following are the brief explanation from the factor analysis. At the outset, work stress is the most essential factor in stress and it is resulted because of inappropriate work systems in the factory. Work Stress loaded with nine components and it explains 23.492% of variance with the Eigen value of 6.965. Excess workload is the highest loading factor in this category. Secondly, management influences are analyzed, it causes for stress in the work place. It compacts with the eight components and it has Eigen value of 5.914 and explains 17.435% of variance. Excessive working hours possess highest factor loading among the eight components considered. Thirdly, Personal complaints are directly connected with the delivery of the financial and non-financial benefits to the employees. It has Eigen value of 5.103 and explains 13.216%

variance. Fourthly, working background investigated with seven factors, which are all directly related with the rendering of services to the company. It has Eigen value of 4.134 and 10.352% of variance explained. Group influences in the work place are creating stress; it is caused with the co-workers and superiors. It has Eigen value of 3.248 and explains 5.189% variance.

Sources of External Stress Factors

Job stress is not restricted to effects that happen inside the organization during the working hours. Apart from internal stress, the employees are getting stress through external sources. This stress may be in the form of political influence, economic factors, technological factors, personal non-work related factors, family factors and so on. Here seven important external stresses are explained. Family situation plays a vital role in external stress; the employees are disturbed in large extent due to bad family situations. Daily travel to work place affect the performance of the work, poor economic conditions may create income less conditions, likely quality of work life depends on the earnings, hence if the earnings is insufficient the employees get stress. Similarly physiological problems, work-life imbalance problems and social disruptions may crease stress to the employees. These factors are listed in Table-3 and it describes the results of multiple regression analysis of the respondents in the textile industries in terms of R (Multiple Correlation Co-efficient), R^2 (co-efficient determination) and the incremental value of R^2.

Table 4- Result of Multiple Regression Analysis

Variable	R	R^2	Incremental Value R^2
Family Circumstances	0.623	0.388	0.405
Daily Travel to Workplace	0.658	0.433	0.045
Economy Conditions	0.726	0.527	0.094
Quality of Life	0.768	0.590	0.063
Physiological	0.889	0.790	0.200
Work-Life Imbalance	0.964	0.929	0.139
Social Disruption	1.000	1.000	0.071

(Source: Primary data)

It is found from the above multiple regression analysis reveals that among the seven factors, the family circumstances explains 40.5% of the total stress. Daily travel to work place accounts for 4.5%. Economic condition explains 9.4%, quality of life accounts for 6.3%, physiological stress occupies 20% on total external stress, and work-life imbalance responsible for 13.9% and social disruption capture 7.1% on total external stress.

Testing of Hypothesis

Chi-square test is carried out to check the relationship between the personal background of the respondents and their external source of stress in the company. Here, the null hypothesis (H_0) states there is no significant relationship between the personal background of respondents with the external source of stress on the work performance. Contrary to that alternate hypothesis (H_1) states there isa significant relationship between the personal background of respondents with the external source of stress on the work performance. Its analysis is presented in table 5.

Table 5 – Chi-square Analysis

No relationship between	Degrees of freedom	Table Value	Calculated Value	Result
Gender and External Source of Stress on Work Performance	6	12.592	6.368	Accepted
Age and External Source of Stress on Work Performance	24	36.415	23.693	Accepted
Education and External Source of Stress on Work Performance	18	28.869	31.257	Rejected

Monthly Salary and External Source of Stress on Work Performance	24	36.415	22.564	Accepted
Marital Status and External Source of Stress on Work Performance	6	12.592	15.643	Rejected
Experience and External Source of Stress on Work Performance	24	36.415	38.947	Rejected
Nativity and External Source of Stress on Work Performance	12	21.026	11.636	Accepted

(Source: Primary Data)

It possibly will be well-known from the table 5 that the calculated chi-square value is more than table value at 5% level of significant and the null hypothesis is rejects the relationship between education and external source of stress on work performance, marital status and external source of stress on work performance and experience and external source of stress on work performance. Hence there is no significant relationship between the personal background of respondents with the external source of stress on the work performance. In contrary to that the null hypothesis is accepts the relationship between gender and external source of stress on work performance, age and external source of stress on work performance, monthly salary and external source of stress on work performance, and nativity and external source of stress on work performance.

CONCLUSION
Stress is the way to person reacts to something that is out of the ordinary, dangerous, unknown or disturbing. Stress can be avoided by giving adequate stimulus with a view to overcome the stressed situation. Employees working in textile mills are exposed to greater amount of stress, hence this study has been made to test the impact of stress on work performance of employees. In this study from the sample 100 employees inspected, 89% of respondents are male, 28% of respondents are falling in the age group between 36-45 years. Education background of employees shows 32% having less than HSC qualification. 24% of respondents' monthly salary falls in the category of below Rs. 5,000. Marital status of the employees shows 62% belongs to married category. Experience clearly shows that 34% belongs to 2-4 years. 42% of respondents stayed in hostels and nearby areas. There are two sources cause stress to employees; these can be classified into internal stress and external stress. Family circumstances, daily travel, economic conditions, quality of life, physiological problems, balance between work and life, social disruptions are the sources, which create stress to employees. Work stress, personal complaints, management influences, group influences, working conditions and its multiple dimensions are the input of internal stress. Both factors are analyzed with the appropriate statistical techniques. At first, internal stress is analyzed through factor analysis, work stress discusses nine components, and excess work load is highest loading factor in this category and has Eigen value of 6.965 and explains 23.492% of variance. Management influences loaded with eight components, excess working hours is the highest loaded factor in this group. Similarly, low salary is highest loaded factor in personal complaints, frequent transfers in working background and unhealthy politics in group influences are the highest factor loading among its components. It clearly indicates the different facets of stress in internal environment. External stress can be analyzed through multiple linear regressions; among the seven factors investigated family circumstances has the highest incremental value. In addition to check the relationship between personal background and external working conditions, chi-square test has been utilized. Null hypothesis is accepted to the relationship between gender and external stress, age and external stress, monthly salary and external stress, and nativity and external stress. Remaining external factors like education, marital status,

experience are rejects its null hypothesis. Hence this study is concludes that both stress can have impact on work performance of employees.

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CONFLICT AT THE MACRO AND MICROCOSMIC LEVELS OF SOCIETY

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Abstract: The following article introduces the concept of conflict by way of classical definitions and contemporary examples. A contextual definition is provided with a clarification of the terms therein. Macrocosmic conflict is then defined and further examples given to support a multidimensional view of the concept. Then follows an analysis of microcosmic conflict; conflict within the individual. After the analysis the paper would propose a solution if any to conflicts.

INTRODUCTION

Across the tapestry of human existence the pattern of conflict maintains a steady warp and weft. The world is by nature pluralistic, multifaceted. Inherent within plurality, or even duality for that matter, is the potential for conflict. Values, goals, directions differ from nation to nation, race to race, family to family, individual to individual. A clash of interests, values, direction gives rise to conflict.

Conflict occurs not only with respect to the macrocosmic strata of human activity - as examples of which are given above - but also at the microcosmic level. That is to say within the personality. Each individual has within him/herself areas of non-agreement, non-acceptance; matters as yet unresolved. Some are tractable, some intractable, yet all classify as conflict. The phenomenon of conflict therefore refers to the existence of that clash. The term 'conflict' is applicable from the instant that the clash occurs. Even the 'potential for conflict' indicates that there is already a conflict of direction even though a clash may not yet be cognisable.

For the convenience of the reader, various definitions of the term 'conflict' along with the etymological derivation of the word have been cited below with references for each:

- An active disagreement between people with opposing opinions or principles
- Fighting between two or more groups of people or countries:
- A state of open often prolonged fighting; a battle or war.
- A state of disharmony between incompatible or antithetical persons, ideas, or interests; a clash.
- *Psychology.* A psychic struggle, often unconscious, resulting from the opposition or simultaneous functioning of mutually exclusive impulses, desires, or tendencies.
- In psychoanalysis, the notion of conflict generally refers to intrapsychic conflict in which antagonistic forces are pitted against each other.

Etymology: Middle English, from Latin *conflictus* act of striking together, from *confligere* to strike together, from *com- + fligere* to strike

- *2 a*: competitive or opposing action of incompatibles: antagonistic state or action (as of divergent ideas, interests, or persons) *b:* mental struggle resulting from incompatible or opposing needs, drives, wishes, or external or internal demands
- *2 a*: competitive or opposing action of incompatibles: antagonistic state or action (as of divergent ideas, interests, or persons) *b:* mental struggle resulting from incompatible or opposing needs, drives, wishes, or external or internal demands

Author(s)	Definition	Key Terms
Coser 1956	Social conflict is a struggle between opponents over values and claims to scarce status, power and resources.	struggle, opposition, scarcity
Schelling 1960	Conflicts that are strategic are essentially bargaining situations in which the ability of one participant to gain his ends is dependent on the choices or decisions that the other participant will make.	strategy, bargaining, dependence
Deutsch 1973	A conflict exists whenever incompatible activities occur . . . one party is interfering, disrupting, obstructing, or in some other way making another party's actions less effective.	incompatibility, interference effectiveness
Wall 1985	Conflict is a process in which two or more parties attempt to frustrate the other's goal attainment . . . the factors underlying conflict are threefold: interdependence, differences in goals, and differences in perceptions.	goals, interdependence, perceptions
Pruitt and Rubin 1986	Conflict means perceived divergence of interest, or a belief that the parties' current aspirations cannot be achieved simultaneously.	interests, aspirations, beliefs
Conrad 1990	Conflicts are communicative interactions among people who are interdependent and who perceive that their interests are incompatible, inconsistent, or in tension.	communication, interdependence , tension
Tjosvold and van de Vliert 1994	Conflict - incompatible activities; one person's actions interfere, obstruct or in some way get in the way of another's action"	incompatibility, interference, obstruction
Folger, Poole, and Stutman 2001	Conflict is the interaction of interdependent people who perceive incompatible goals and interference from each other in achieving those goals.	interaction, interdependence, incompatibility

As the table reveals, these definitions have much in common. First, they indicate the inevitability of conflict in human affairs. Second, they reveal key features of conflict situations. Many of the definitions, for example, stress that conflicts involve interdependent parties who perceive some kind of incompatibility between them.

CONCEPTUALIZATION
This paper proposes to define the term 'conflict' as stated below:
Conflict occurs due to a non-consensus between an individual or a group of individuals. Due to this, one or both parties perceive a threat to their material, physical, emotional, intellectual or spiritual interests, wellbeing.
Having defined conflict thus, a few of the terms that comprise this definition must need to be clarified.
Firstly, **non-consensus** is used here for that difference in the positions of the two (or more) parties transacting. It is interesting to note at this point that the true disagreement may differ considerably from the perceived disagreement. In fact, conflict tends to be accompanied by significant levels of misunderstanding that exaggerate the perceived disagreement considerably. However the role of subjective perception in conflict will be dealt with later on in this study.
Entities involved in the interaction- the entities interacting could be a group of people, two people, or even different aspects of one individual's personality. It is sometimes difficult to specify the parties concerned in the conflict. Consider the case of Mr. Adams and Mr. Burton. Let the two gentlemen mentioned above be in conflict about some issue. This being the case, A's son could find himself obliged to become party to a conflict he has no interest in. Thus on many occasions, people who are part of the social fabric are forced to "take sides" though they would personally handle the situation in another way. Or maybe stay out of it completely.
Perception of the entities involved- People respond to their perceptions of the situation at hand, rather than the issue itself. Thus, while one's perception doesn't become the reality per se, one's behaviour, feelings and responses become modified by what one perceives. As such, peo-

ple filter their reactions through their values, culture, beliefs, information, experience, gender, and other variables. This greatly influences one's ability to conceive possible solutions.

The difference between the perception of the fact and the fact itself cannot be overstressed. There are a variety of factors that 'condition' a person's thoughts and perceptions, making him/her react, behave in a certain way. To understand this idea, an explanation of the phenomenon of conditioning is vital.

The individual is not privy to logic and reason from birth. From infancy, until the age of eleven or twelve as the case may be, the child is generally observed to function on various likes, dislikes, attractions and aversions, fears, etc it has absorbed from its environment. Thus the child becomes 'conditioned' by these influences. Programmed to respond in a certain way to certain stimuli it encounters. It responds to the world almost entirely on conditioning. By a certain age independent choice of action is observed to manifest itself. The child can make the conscious choice to question the conditioning it has received. At this stage the individual's potential for rational thought is ready for development. But by this time, the young adult has already mistaken an enormous number of beliefs for facts. Questioning the ideologies that currently form the foundation of his/her view of life seems absurd. This individual is now conditioned. "Our world contains grave evils, which can be remedied if men wish to remedy them. Those who are aware of these evils and fight against them are likely, it is true, to have less everyday happiness than those who acquiesce in the status quo. But in place of everyday happiness they will have something which I, for my part, value more highly, both for myself and my children. They will have the sense of doing what lies in their power to make the world less painful. They will have a more just standard of values than is possible for the easy-going conformist. They will have the knowledge that they are among those who prevent the human race from sinking into stagnation or despair. This is something better than slothful contentment and if a free education promotes this, parents ought not to shrink from the incidental pains which it may involve for their children." (Russell 1933: 89-90)

Below are listed a few factors that could have this 'conditioning effect on an individual. This list merely illustrates examples and is far from exhaustive.

1. Social or cultural conditioning: each society has certain norms of behaviour, interaction specific to itself, that it considers acceptable. In another social group, that same behaviour would be considered entirely unacceptable and would be looked on as a serious offence. In India for example, it is common for guests to drop in unannounced and even stay for a meal. The traditional Indian lady of the house looks on this as a joyous occasion for in this land "a guest is God". In the west however, things are different. It is common to take an appointment before visiting another household. Ignoring this protocol is considered very rude indeed and is looked on as a deliberate invasion of privacy.

Varying cultural backgrounds also influence us to hold certain beliefs about how to perceive conflict. North-Indian communities for example are those that defended our boarders against invaders throughout history. This ethnic group demonstrates even today, an uncommon readiness to face conflict, especially if it is honour of the family or tribe that is at stake. The typical south-Indian however shows a distinct disinclination towards conflict of any sort. He would choose, given the option, to discuss the issue at hand and resolve it thus. Of course this is only a general observation and must be viewed accordingly.

2.Male-female conditioning: Men almost always perceive situations differently from women. This difference in perception is based on how they experience the world around them. A man is by nature more exploratory. A woman is inherently more emotional. These classic patterns of

social interaction reinforce the difference between how each gender looks on the world and the conflicts within it. Men and women will often approach situations with differing mindsets about the desired outcomes from the situation, as well as the set of possible solutions that may exist.

3.Conditioning from the past: Powerful life experiences influence our perceptions of current situations and play an important part in how we approach conflict. One individual with a particular set of past experiences may be ready to face a new and hitherto unknown situation. Another person with a different set of experiences may have been adversely affected by them. He/she may be hesitant in taking a risk. These factors - along with others - conspire to form the perceptual filters through which we experience conflict. As a result, our reactions to the conflict would vary considerably.

Interestingly, though such an understanding should enable one to anticipate misunderstanding of each other's perceptions, needs and feelings, this is rarely seen to be the case. The issue itself-There is a tendency to define "the issue" too superficially. What is perceived, as the "obvious cause" of the conflict may not be so at all. Often the real issue to be addressed may be an underlying one that is not immediately apparent and requires time and patience to discover. Layers of social conditioning, varying emotional interests, different personality-types etc make the task of clearly understanding the parameters of a conflict that much harder. Also there may be more than one issue to resolve. These may or may not be inter-related.

The points above are most often neglected and therefore, it is not surprising that most conflicts can prove so challenging and time consuming to address.

It is important to note that conflict cannot be equated with competition or co-operation. Competitive situations will by their nature cause conflict; when either party tries to reach their mutually inconsistent goals it will undermine the attempts of the other to reach theirs. However, conflict can also occur in cooperative situations, in which two or more parties have consistent goals; the manner in which one party tries to reach their goal can still undermine the other's attempts to arrive at the same.

There are several different types of conflict evident at the macrocosmic level of human interaction. For example international conflict, environmental resources conflict, inter-societal conflict, intra-societal conflict, ideological conflict, diplomatic conflict, economic conflict, military conflict. A few are explained below to provide a general idea of macrocosmic conflict:

Intra-state conflict - Armed conflict today is more likely to occur within states than across national borders. Since the collapse of the Soviet Union, the number of intrastate conflicts has proliferated worldwide. Economic disintegration, political upheaval, and competition for scarce resources have opened a Pandora's box of long-suppressed ethnic, religious, and regional tensions that have erupted into violent conflict. Intra-state conflict has deep and long-lasting effects on a country and its people.

A key characteristic of intrastate conflict is the deliberate targeting of violence on civilians (men, women, and children): approximately 95 percent of all casualties in intrastate conflict are non-combatants. Second, intra-state conflict results in massive displacements of populations fleeing from violence and economic disruption. Third, women's participation in war contributes to a social transformation of identity and roles within the society. Fourth, intra-state conflict destroys the physical infrastructure of the economy as well as the institutions that defined the country's political and social infrastructure. Finally, these conflicts are fought within the boundaries of a country.

Organizational Conflict - Divisions and departments often have different objectives. If their members cannot find common values and goals, they will not cooperate. Employees are more

knowledgeable and comfortable being solo contributors than being thorough members of a team, despite the need for interdependency in most work. This is exaggerated when, through their reward systems, organizations encourage employees to compete with one another. Teamwork is a concept that must be learned and applied throughout the organization. Employees are neither trained nor prepared to negotiate shared areas of responsibility and productivity gaps comfortably. Supervisors may state their expectations of employee job performance, but they usually do not know how to do so in a way that can be heard and understood effectively. Organizational problems and responsibilities are analyzed from individual or departmental viewpoints, rather than from that of the organization as a whole. Good decisions are further undermined by a short-term, crisis approach to problem solving. Managers would rather do the work themselves than take responsibility for motivating others to do their best work. To motivate each employee to contribute maximum productivity, managers must demonstrate insight, dedication and flexibility. Executives need significant information from front-line employees to make good decisions. Yet they seldom know how to ask for meaningful information, input or feedback from employees. Differences in personality, approach to tasks and individual values create even more friction and tension than that caused by racial or cultural background differences. Good communication requires trust, a suspension of assumptions and hard work, which most organizations do not demonstrate well from executive level downward to front line employees.

Societal or Community Conflict - The potential for community conflict exists whenever and wherever people have contact. California faces increasing community conflicts due to the cultural, linguistic and ethnic diversity associated with its changing population. Communities and government services are being redefined and, at the same time, neighbours are facing unfamiliar lifestyles in their neighbourhoods. Stresses caused by economic or social change can impact community resources, leaving groups feeling that they are being denied government services at the expense of other groups. Law enforcement, schools and local government officials are increasingly affected by resulting tensions and need to be prepared when serious conflict erupts.

Community conflict also can occur when individuals or groups perceive or experience discriminatory behaviour directed at them by an agency or its representative, by members of another group, or by members of their own group. For example, a high-profile case of police misconduct, an incident of violence on a school campus, a hate crime or case of discrimination can polarize a community. All of these events can produce stress on community residents, often resulting in disagreements over what should be done to solve these problems. This stress can even lead to open conflict within the community. Examples of community conflict can include community anger after a police shooting, racial tensions on a high school campus, a hate crime in the community..

An analysis of the data above provides two insights worthy of note.

Firstly, a commonality appears to connect each of the examples of conflict cited above. Conflict itself arises from a 'disagreement between people with opposing opinions or principles' as stated earlier on. However it is startling to note that the theme of the opposition seems identical in each case.

In the cases cited above, the principles, interests or concerns of the parties seems to fall into two specific categories. One class of 'interest, opinion or concern' seems to be of a self-centred nature. It considers the benefit of that specific group, company or association, above those who fall beyond its scope.

The second category of 'interest, opinion or concern' seems to be of a less preferential nature. It holds the benefits of society at large above the benefits of the smaller unit (i.e. the specific circle, company or association).

Secondly, the macrocosm is defined contextually as an entity comprising several units, each an entity on its own. These units reflect on a smaller scale the qualities of the larger entity. "the whole of a complex structure, especially as represented or epitomized in a small part of itself (a microcosm)." (Concise Oxford English Dictionary, 1999)

The parties involved in the examples above are groups of people. These groups act in the given context with one common purpose, as one entity. Now observe the groups themselves. They are made up of individuals who display conflict within themselves called intra-personal conflict.

Q: does this internal state of discord reflect the same theme seen in the examples of interpersonal conflict cited above? In other words could conflict at the macrocosmic level be a reflection of conflict at the microcosmic level?

An analysis of the individual will now be undertaken in an attempt to clarify this point.

Conflict at the microcosmic level: the conflict within

What are the constituent parts of an individual? How do these different parts relate to each other to from the personality we encounter, and frequently don't understand? What are the parts within the individual that conflict with each other? These, and similar issues will be taken up hereunder.

The human being comprises firstly an outer personality, the external, physical body. This body is comprised of diverse bio-chemicals, none of which concern us in context. What is important however is that the physical body is that part of the individual that contacts the world. The world is 'received' by the personality as it were, with the help of what we might call the 'receptors' viz the eyes, ears, nose, tongue and skin. These five 'ports of entry' allow the personality to receive sights, sounds, smells, tastes and touches respectively.

The physical body also houses the 'actors', which are the limbs (hands and feet), the machinery of speech, the equipment of regeneration and evacuation. With the help of these, we act in the world.

No activity seems possible without the precedence of thought. That is to say a thought (or stream thereof) always precedes activity. The gross physical body houses a subtle, inner personality that comprises thoughts. Thoughts vary in nature. Different types of thought propel us to perform different types of activity. What follows is a matter of common experience. Within the personality manifests an urge to perform a certain action. At the same time we experience a powerful force that restrains us from that very action. On analysis, thoughts seem to possess two distinct natures. One quality of thought could be identified as illogical, irrational, impulsive, indiscreet, indisciplined, emotional. The other is distinctly rational, logical, analytical, methodic. Let the irrational and rational thoughts be termed the 'lower nature' and 'higher nature' respectively. Again it is a matter of common experience that often, the lower and higher natures propel us simultaneously to action. In diametrically opposed directions. From classical Shakespearean literature comes the perfect representation of the continuous conflict within; "to be, or not to be. That is the question." (Shakespeare, 2003: Act III Scene 1)

These two aspects of the inner personality are proposed as the propelling force of all action and crux of intra-personal conflict. A reference for this proposal is offered hereunder.

The physical body has two sets of organs. The five organs of perception and the five organs of action. The organs of perception are the eyes, ears, nose, tongue and skin. The organs of action are the hands, feet and the organs of speech, generation and excretion.

The mind contains emotions and feelings. Love, kindness, passion, anger, hatred, envy, jealousy etc. belong to the mind. The mind is also referred to as heart. Which is different from the anatomical heart. Beyond the realm of the mind lies the intellect. The intellect is your faculty to think, reason, judge, decide. You will have to exercise your intellect to decide on a course of action.

The mind and intellect together constitute your inner personality. Which defines your individuality. You are what you are because of your indwelling mind and intellect. The physical body is a vehicle, which carries your personality from one experience to another… When you contact the world three distinct transactions take place:

Receipt of sense stimuli from the world

Reaction within your personality

Response to the world

The stimuli from the world reach you through your organs of perception. Colour and form through your eyes, sound through ears, smell through nose, taste through tongue and touch through skin. Having entered therein the stimuli react with the mind and intellect. The type of reaction within will depend upon the quality of stimuli contacted and the nature of your mind and intellect reacting with them. Consequent to the reaction, you send out responses back into the world through your organs of action. (Parthasarathy 2004: 44-45)

If the mind alone reacts with the stimuli, without consulting the intellect, the responses would be impulsive, eccentric, hysterical, leading to insanity. But when the mind consults,takes the guidance of the intellect, the responses would then be objective, discreet, mature. (Parthasarathy 2004: 142)

Some examples of intra-personal conflict follow. These are issues we face in our everyday lives. To exercise or encourage laziness, to love preferentially or manifest a more inclusive affection, to be open to various points of view, or hold dogmatically on to one's own. Consider three situations:

Situation A – Mr X is a scientist involved in research that will directly benefit humanity. He enjoys a comfortable standard of living. Yet his work has ceased to interest him. He is in fact unmotivated to fulfill his obligations. He desires a more lucrative employment. At the same time, he understands the next work-place may not provide a chance to serve society on the scale as he is doing right now. Observe the conflict within him; to serve or seek personal security.

Situation B – A young teacher lives in a country where the youth desperately need his guidance. Yet he occupies himself in offering his undivided attention to the son of the town mayor as this is a much more lucrative proposition. The dilemma of the teacher is clear; to teach the masses, and raise the level of literacy, or to teach, the one child, thereby ensuring his own financial well-being.

Situation C – a maid in a wealthy household sees a gold watch unattended, and pockets it. The family misses the watch and is upset about it but suspect nothing of the maid. Later, the girl feels a twinge of conscience, and wishes to return the stolen article. Should she keep the watch and smother her conscience or return it and chance retribution?

Observe closely, all three situations depict the classic struggle between the lower and higher natures of man. The following excerpt further supports the proposition that the theme of both macro and microcosmic conflict is the fundamental conflict between the higher and lower natures of man.

The mind and intellect are constituted of thoughts. The hundred wicked sons of Dhritarashtra, the Kauravas, represent the vicious thoughts and emotions like lust, greed, hatred, anger, envy,

pride, vanity etc. The five Pandavas stand for virtuous thoughts and emotions like love, kindness, sympathy etc. The negative propensities in man generally outnumber his positive propensities. The civil war of Kurukshetra hints at the psychological conflict between these two opposing forces in the human personality. In short, it points to the perpetual war between the higher and lower nature of man. *Symbolism of Hindu Gods and Rituals Part II, Epics, Rituals and Festivals, The Mahabharata* (Parthasarathy 1994: 82 -3)

The chariot in which Arjuna rides in the battle is also significant. The chariot idea is taken from the Kathopanishad. Krishna, is the charioteer. The chariot and horses represent the human body and its five sense organs. The reins stand for the mind and charioteer for the intellect. The rider is the individual (*jiva*) or the ego in man. When the charioteer is asleep the reins become loose and the horses go out of control resulting in the destruction of both the chariot and the rider. So too, when man's intellect is alert the mind loses control over the senses which leads the individual to disaster. *Symbolism of Hindu Gods and Rituals Part II, Epics, Rituals and Festivals, The Mahabharata* (Parthasarathy 1994: 84)

Since all conflict has at its root, the intrinsic difference between the higher and lower natures of the individual, conflict resolution must necessarily target this 'mother-conflict'.

Different individuals may choose to approach a conflict in different ways, depending on which nature, the lower or the higher dominates the personality. The following data has been excerpted from: *The Practice of Facilitation: Managing Group Process and Solving Problems* by Harry Webne-Behrman.

When the lower nature predominates, the individual is seen to react to conflict in the following ways:

'**Competing** is a style in which one's own needs are advocated over the needs of others. It relies on an aggressive style of communication, low regard for future relationships, and the exercise of coercive power. Those using a competitive style tend to seek control over a discussion, in both substance and ground rules. They fear that loss of such control will result in solutions that fail to meet their needs. Competing tends to result in responses that increase the level of threat.' This is a clear case of predominance of the lower, self-centred facet of the personality.

'**Accommodating**, also known a smoothing, is the opposite of competing. Persons using this style yield their needs to those of others, trying to be diplomatic. They tend to allow the needs of the group to overwhelm their own, which may not ever be stated, as preserving the relationship is seen as most important.' Here, the lower nature manifest as a feeling of inferiority.

'**Avoiding** is a common response to the negative perception of conflict. "Perhaps if we don't bring it up, it will blow over," we say to ourselves. But, generally, all that happens is that feelings get pent up, views go unexpressed, and the conflict festers until it becomes too big to ignore. Like a cancer that may well have been cured if treated early, the conflict grows and spreads until it kills the relationship. Because needs and concerns go unexpressed, people are often confused, wondering what went wrong in a relationship.' In this case, the lower nature falls prey to the 'ostrich syndrome'; burying one's awareness in the sand as it were, in an effort to avoid taking responsibility for the situation.

'**Compromising** is an approach to conflict in which people gain and give in a series of tradeoffs. Compromise is generally not satisfying. We each remain shaped by our individual perceptions of our needs and don't necessarily understand the other side very well. We often retain a lack of trust and avoid risk-taking involved in more collaborative behaviours.' Here again is a demonstration of the lower nature's disinclination to effort.

'**Collaborating** is an example of the higher nature at play. In this case on observes the pooling of individual needs and goals toward a common goal. Often called "win-win problem-solving," collaboration requires assertive communication and cooperation in order to achieve a better solution than either individual could have achieved alone. It offers the chance for consensus, the integration of needs, and the potential to exceed the "budget of possibilities" that previously limited our views of the conflict. It brings new time, energy, and ideas to resolve the dispute meaningfully.

'Negotiation however requires profound courage on the part of all parties. It takes courage to honestly and clearly articulate your needs, and it takes courage to sit down and listen to your adversaries. It takes courage to look at your own role in the dispute, and it takes courage to approach others with a sense of empathy, openness and respect for their perspective. Collaborative approaches to conflict management require us to engage in the moment of dialogue in profound and meaningful ways, so it is understandable if we tend to avoid such situations until the balance of wisdom tips in favour of negotiation' (cf. Webne-Behrman 1998).

CONCLUSION

An analysis of both the abovementioned leads the reader to consider the following proposal; that the fundamental theme of macrocosmic conflict mirrors that of its microcosmic equivalent. It is further proposed that the solutions for both macro and microcosmic conflict lie in addressing the fundamental struggle between the lower and higher natures within each human being. The conclusion suggests a way to address this mother-conflict, the basis of all conflict.

How then does one control and finally resolve conflict? The answer seems clear in the light of arguments provided above. It is the development of the 'higher nature' called the 'intellect' by A. Parthasarathy in his book 'Vedanta Treatise – The Eternities'. This grossly neglected aspect of the human personality seems in urgent need of attention. It is proposed that formal systems of education be revived by incorporating into them a methodology of nurturing and developing the higher nature of man.

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ORGANIZATIONAL PERFORMANCE, COMPETITIVE ADVANTAGE AND RETAIL CHALLENGES

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Abstract: The basic purpose of this paper is to explore, establish and test relationships among retail challenges, competitive advantage and organizational performance variables in an organized retail industry. Specifically, the relationship among these variables has been examined from the organized retailers' point of view. This effort has classified retail challenges using factor analysis. A confirmatory factor model has been tested and validated to examine the relationship among retail challenges, competitive advantage and organizational performance using structural equation modeling. The results indicate that the organized retailers have understanding to match retail challenges with competitive advantage. They also understand the match between retail challenges and organizational performance but, they fail to match retail challenges with competitive advantage.

INTRODUCTION

Organized non-livestock retailing (NLR) is the selling of agriculture and horticulture produce to consumers. It gained momentum in India after 1980 when Mother's Dairy introduced vegetables at the retail outlets in New Delhi. Later on many organizations like Verka, Amul, and Markfed have followed the concept and created co-operative societies for seeds, pulses, milk and milk products (Neetu, 2007).

It got full swing after liberalization in 1991. There are 15 million retailers in India, operating in the form of 'mom pop' outlets. It has spread over 31 million square meters area and generated a sale of USD 11 billion in 2007-08 (Rajmohan, 2007). The CMIE report found doubled growth from 1990 to 1999. The organized retailing which constituted 6% of the total retail business in 2007 has appeared in the form of supermarkets, hypermarkets, malls, department stores, discount stores, specialty stores, convenience stores, kiosks, and food court counters (Rajmohan, 2007).

There were just three shopping malls in 1990, i.e., Spencer Plaza in Chennai, Ansal Plaza in New Delhi and Cross Roads in Mumbai (Neetu, 2007). The number rose to many thousands by the end of 2010. Nowadays, it has emerged as a sunrise industry accommodating major industrial houses like Reliance Retail, RPG Retail, The Tata Group, K Raheja Corporation, Piramyd Retail, Nilgiris', Subhiksha Trading Limited, Trinethra, Vishal Group, and BPCL etc. These players have collaborated with the national and international players like Wal-Mart, Tesco, and Metro to harvest the profits.

The intense market competition with changing customer preferences has made retailing business difficult and challenging. Due to this scenario many retail outlets failed to give a required return. This problem has attracted the attention of many researchers to find a solution for the same. The literature survey projects that India lacks significant study on retail challenges (RC),

competitive advantage (CA), and organizational performance (OP). Hence, in this paper an attempt has been made to identify the RC and their relationship with CA and OP. The paper has been organized into three sections. The first section focuses on literature survey on RC, CA and OP. The second section focuses research methodology. The third section focuses on conclusion, recommendations and suggestions. The technique of factor analysis has been applied to classify the factors for RC and technique of structural equation models has been applied to test hypotheses.

RESEARCH OBJECTIVES

The Indian retail industry is shaping up to be different form from that of other countries. The major proportion is controlled by traditional retailers. Only a fraction of the outlets is organized (Sinha & Uniyal, 2007). Despite the retail boom in the country, large-scale retailers seem to have indulged in all sorts of strategies to attract and retain consumers. This multi-dimensional dynamic thinking posed many questions to the organized retailers. The discussion with organized retail players and consultants suggested the need to explore and understand the relationship among the following:

- Retail challenges
- Competitive advantage; and
- Organizational performance

The successful business performance is difficult to achieve without understanding the challenges before it, as well as a competitive advantage to win the game for better organizational performance. Hence, in this study an attempt has been made to explore and understand the relationships between them for better organizational performance.

RETAIL CHALLENGES

Organized retail in India is a little decade old industry, facing many challenges. Exploring literature (Pradhan, 2007; Newman and Cullen, 2002; Sinha and Uniyal, 2007) in consultation with consultants and practitioners in this industry, the major retail challenges are as follows:

Product Sourcing: The customers' expectation for a wide product variety has complicated the task to manage the products. Despite the big farmhouses managed by the players, still there is a gap in the supply for wide variety. Product outsourcing helps to arrange and manage inventory. Also, the sourcing from distributor and whole-seller leads to high cost as compared to direct purchase from the farmers. Nowadays, the retailers have agreements with farmers to supply. The competition and seasonal availability of products has also projected it as a major challenge for this industry.

Transparency: It is also one of the major challenges for the retailers because the class of customers visiting the organized retail stores is qualified enough to compare product quality and cost associated with it. They expect all the information regarding products to be displayed with full authentication otherwise they shall churn. Also, they have full information regarding the price and quality offered by the competitors. Hence, transparency by taking into consideration the offerings by the competitors plays an important role in the success of this business.

Specialized Skills: The vast variety expectations of the customers need highly skilled staff to convince and satisfy them. It is due to the fact that the same / different products have different meanings for different customers. The staff should be in a competent enough to satisfy customers. Hence, failing to convince shall result in lost sales.

Manpower Management: During the discussion with organized players it was observed that highly qualified people were not much interested to join this sector. They leave the job after some experience. Hence, retaining workforce is also, one of the major challenges for this sector.

Karyana Stores: These stores are operated by traditional retailers and most of them are either owned or hired at very low rental charges as compared to organized retailers. Also, they are located at very prominent locations near residential areas in large numbers. Hence, it is also one of the major challenges for the organized retailers.

Multiple Taxes: Multiple taxes are a big problem for the organized NLR because the record keeping takes much time. On the other hand, traditional retailers do not maintain such records. Hence, the performance of organized retailers is much affected as compared to traditional retailers.

Inadequate Infrastructure: It is also one of the major challenges for the organized NLR. It is due to the fact that the facilities like parking, internet access, and deliveries are not at par with the developed countries like USA, UK etc. So, it adversely affects the organized NLR performance.

Real Estate Cost: The cost of real estate is very high. It has adversely affected the organized NLR performance. The traditional retailers have already set the retail stores at the most prominent locations in the heart of the cities. Such locations are a distant dream for the organized retailers. Hence, to meet both the ends i.e. Offering products at lower cost and paying the high operational cost are the major threat for the organized NLR.

Quick Response: The vast variety expectations and dynamic market pricing has posed major challenges for quick response to the market. Nowadays, the traditional retailers offer a wide variety of competitive prices. Also, the farmers directly sell their produce in the market at the most competitive prices in large volume. This helps customers to select the best. In the evenings, market rates fall sharply. Hence, it is difficult for organized retailers to quickly respond to the market dynamics.

Customer Loyalty: The customer segments visiting the organized stores are the most qualified people from middle and high-income groups. They expect a good match for the price and quality otherwise churn rate shall be more. The organization can easily duplicate the marketing policies but, customer loyalty can't be duplicated. Hence, it is also one of the major challenges for the organized NLR.

High Connectivity: It is required to understand the customers' expectations and means to meet them. The dynamic nature of NLR business needs high connectivity among customers, markets, and organizations. The failure of which shall result into lost sale and goodwill. Hence, it is also one of the major challenges affecting organized NLR performances.

Operational Cost: The operational cost of organized stores is very high as compared to the traditional retailers. It is due to the fact that the traditional retailers own shops and manage the operations of their own. For traditional retailers the rental charges, manpower cost, and tax burdens are very less as compared to organized stores. So, it is also one of the major challenges for the organized retailers.

SC Performance: Nowadays the market competition has resulted into SC vs. SC. The organizations collaborate with national and international players in maximized SC performance. This intense competition has made the job of marginal organized retailers challenging. The big industrial houses own farmhouses and facilities resulting in cutthroat competition in the market. Hence, it is also one of the major challenges for this sector.

Forecasting: Demand forecasting also plays an important role in this industry. The price fluctuations, seasonal fluctuations, and changing customer preference have complicated the task. Hence, it is also one of the major challenges for the organized NLR.

COMPETITIVE ADVANTAGE

It is the extent to which organizations are in a position to compete its competitors. It comprises the strengths of an organization to spark its difference among others. SCM enhances organizational competitiveness by integrating the internal functions within a company and linking them with the external operations of suppliers, customers and other channel members (Jiqin et al., 2007). The responsiveness and efficiency are also representative of CA. Chen et al. (2006) identified: inventory, quality, and delivery rate as customer aspect factors for CA. Selldin and Olhager (2007) in their study on testing Fisher's model, identified performance measures for competitive priorities as: quality, delivery speed, delivery dependability, cost (for price competition), volume flexibility, and product mix flexibility, and profitability. Hua et al. (2009) quoted that excess capability is attracting more attention of organizations and researchers. In the consultation of practitioners the following items are considered as CA:

Inventory Management: Inventory costs share more than 75% of the operating budget. Hence, organizations search for the ways to mitigate input costs for CA. Walker et al. (2000) highlighted the need to master the challenges of speed, convenience and reliability. These help in reducing costs, risk, and increasing productivity. In the organized NLR arena, many organizations have their own production facilities and farmhouses. It ultimately reduces the intermediaries to make way for more profits.

Customer Satisfaction: The organizations maintain their own production and procurement facilities to satisfy customers for CA. Ross (1997) revealed that quick response, cooperation and information sharing helps in customer satisfaction. Bagchi (1996) identified: time, quality, cost, efficiency, and diagnostic measures for CA. These help with customer satisfaction for CA. Fisher (1997) suggested that functional products should be tailored to customers' needs for gaining CA.

Profitability: In this competitive world, industrial houses take CA of bulk production or procurement. The cost reduction process forced the organizations to integrate and manage supply chains through cooperative, information sharing and developing effective business processes (Handfield and Bechtel, 2002). Many researchers addressed the benefits of improving profitability and strengthening organizational competitiveness (Fisher, 1997; Christopher, 2000). Bagchi (1996) revealed that organizations take CA by using management philosophies like: JIT, TQM, SCM etc.. Selldin and Olhager (2007) advocated profitability as an important construct for CA.

Identification of Customer Base: The identification of customer base is also one of the CA for organizations. Ramdas and Speakman (2000) in their study on drivers of SCM, identified that firms' capture information for CA. The accurate identification of customers' base shall help them to forecast their requirements and accordingly retail facilities shall be developed and filled. Nair (2005) revealed that in order to gain CA, companies need to know their customers' base and financial shape.

India lacks significant study on logistics and SC practices (Austin, 1990). Also, the visibility of these practices is limited (Srivastava, 2006). Saad and Patel (2006) in their empirical study on the automotive sector, quoted that Indian organization are striving hard to adopt new standards such as TQM, JIT, BPR and, SCM to enhance their performance for CA. Hence, more is needed to be done for CA.

ORGANIZATIONAL PERFORMANCE

Larson and Halldorsson (2004) quoted that SCM incorporates logistics as a key SC focused function. Carter and Narasimhan (1996) suggested that SCM and purchasing practices are associated with the competitive capabilities of the firm and it has a more significant effect on firm performance. Nuthall (2003) revealed that improvements in service levels and reduction in costs improves OP. Fitzgerald et al. (1991) suggested two types of PMs in any organization: those relate results (competitiveness and financial performance) and those focus on the determinants of the results (quality, resource utilization and innovation).

Vivek and Ravindran (2009), in their empirical study of small scale industry (SSI) of India, identified six dimensions to measure OP as: return on investments (ROI), market share and growth of ROI, sales, profit margin on sales, and overall competitive position. They further added that supplier performance significantly influences OP. Hence, Indian manufacturing industry should focus on these factors for better OP.

Katou and Budhwar (2010), in their empirical study on the Greek manufacturing sector, revealed that OP consists of six variables as: effectiveness, efficiency, development, satisfaction, innovation, and quality. When summarizing all these studies, we can notice that the literature portrays SCM practices from a variety of different perspectives with a common goal of ultimately improving OP. The following items are considered for OP of organized NLR industry:

Market Performance: Market performance is one of the most important indicators for OP. The organizations having a good market share shall leave behind the competitors. Anderson (1994) found that market performance as measured by customer satisfaction is good for OP. Vivek and Ravindran (2009) also revealed that market performance is a good indicator of OP.

Supply Chain Competencies: In the today's SC vs. SC competition has accelerated the speed for cost reduction. A competent SC can save resources resulting into better OP. Chopra and Meindle (2004) revealed that an attempt to optimize OP without considering SC shall negatively impact OP. Kenneth et al. (2008) also revealed that logistics performance reflects the OP as it delivers the products in quantity at the time as per customers' requirements.

Stakeholder Satisfaction: Stakeholders are the main actors to develop the financial base of the organization. Satisfied members shall remain attached otherwise they shall depart. Neely et al. (2002) considered them as the focal point of the OP measurement process.

Innovation and Learning: It is also an important construct for OP measurement. The history has witnessed many organizations out of the business due to their failure to innovate and learn. Katou and Budhwar (2010) also revealed learning as an important construct for OP.

Satisfied Customers: It is also one of the most important constructs as satisfied customers may become loyal to the organization and repurchase shall be assured. Katou and Budhwar (2010) also revealed customer satisfaction as an important construct for better OP.

Financial Performance: The ultimate objective of all the organizations is to have better financial performance. Many researchers also revealed that financial performance is an important construct for the OP (Vivek and Ravindran (2009); Fitzgerald et al. (1991); Green and Inman 2005).

THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

The theoretical framework used in this study is given in Figure 1. The framework is based on the theoretical foundations for the success of the organized retail business: retail challenges, competitive advantage, and organizational performance. This research intends to prove the research framework (**Figure. 1**) by developing and testing hypotheses as follows:

Figure 1: A conceptual framework for the research
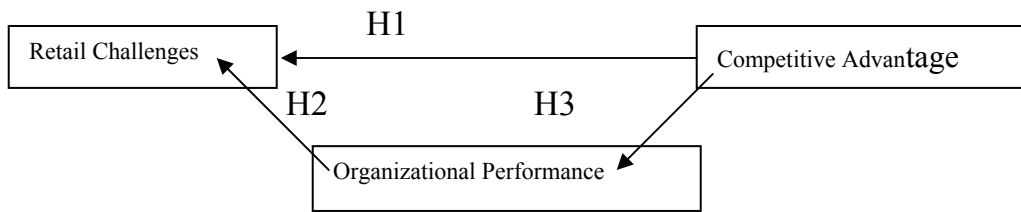
H1: Retailers understand the match between competitive advantage and organizational performance

It was observed that organized retailers open retail formats compatible with the customer expectations. These formats have facilities as expected by the customers at the competitive price and quality. This shows that they take CA of bulk purchase to compete the competitors. It is also observed that they develop strategies for better OP. Hence it leads to:

H2: They understand the match between retail challenges and organizational performance

The practices they have adopted are based on the strategies for better OP. Hence, it was felt that they understand RC to develop suitable strategies for them. It was also observed that many retail outlets failed to give the required return. Hence, it leads to:

H2: They fail to match retail challenges with competitive advantage

The dynamic business environment and low operating cost of traditional retailers as compared for organized retailers has posed a major challenge. Most of the traditional stores are located in the heart of cities. They have also adopted the practices compatible with organized retailers. Hence, to understand the challenges and develop strategies to cope with them is a distant dream for the organized retailers.

METHODOLOGY

The emphasis of this research is on addressing the research hypotheses through an empirical study. The primary data was collected were collected through a questionnaire. It was developed based on strong literature support in consultation of practitioners and consultants in the field of organized NLR. The respondents were selected based on India Retail Report 2007 & 2009, Retail Telephone Directory, PROWESS, and Organization websites etc. The unit of analysis was the organized NLR organizations operating in the principal cities of Punjab, Chandigarh, and Gurgaon in India. The reason for selecting this north India belt was due to, good in agricultural production and the establishment of organized retailers in large numbers. The pre-pilot and pilot survey was done to improve the questionnaire. Later on, large scale survey was done at the top, middle and lower levels of organized NLR organizations by randomly selecting respondents based on telephone addresses. The questionnaires were mailed after telephonic discussion and later on, followed in response. A total of 560 questionnaires was sent with a receipt of 402 responses (Top=100, middle=134, lower=168) yielding a response rate of 72%. The technique of factor analysis using principal component analysis with varimax rotation was applied to classify the items for RC. The technique of confirmatory factor analysis was applied to test the relationship among RC, CA and OP.

Scale development

The six items for OP and four items for CA were selected. The factor analysis classified sixteen items into four factors for RC. A pre - pilot and pilot survey was done to improve the questionnaire. Based on the survey comments one item i.e. arson was not found valid for retail chal-

lenges in India. Hence, it was deleted yielding the effective RC items to 16. These items were rated on a five - point Likert scale on the two time horizons to measure the variability in the recorded responses. Later on, the improved questionnaire was subjected to large scale survey.

Scale refinement

The responses were digitized on the SPSS spread sheet. The statistical analysis was done by taking into consideration the following:

Item and scale reliability analysis were performed to retain and delete the scale items for the purpose of developing a reliability scale. Here, scale reliability (Cronbach's Alpha), communality, item-to-total, and inter-item correlation was applied. The items with low correlation were subject to deletion. The corrected-to-total correlation range from 0.5 to 0.7432, communality range from 0.659 to 0.987, and Cronbach's Alpha=0.9002. Here, it is pertinent to mention that communality ≥0.5, Cronbach's alpha ≥0.7, item-to-total correlation ≥0.5 and inter-item correlation ≥0.3 is good enough for conducting research in social sciences (Hair et al. 2009). In this phase all the requirements were met for conducting factor analysis as shown in Table I and II.

Table I: Correlation among retail challenges

	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16
C1	1.0															
C2	.956	1.0														
C3	.970	.942	1.0													
C4	.941	.971	.942	1.0												
C5	.203	.082	.180	.038	1.0											
C6	.205	.088	.190	.052	.964	1.0										
C7	.208	.071	.175	.036	.946	.935	1.0									
C8	.183	.082	.185	.050	.960	.959	.941	1.0								
C9	.450	.413	.454	.363	.199	.193	.163	.131	1.0							
C10	.482	.450	.440	.426	.157	.158	.128	.112	.816	1.0						
C11	.455	.428	.428	.406	.190	.165	.133	.135	.790	.801	1.0					
C12	.413	.390	.400	.384	.144	.206	.132	.152	.751	.776	.792	1.0				
C13	.356	.134	.314	.096	.533	.515	.562	.490	.310	.287	.258	.224	1.0			
C14	.358	.140	.314	.100	.521	.501	.502	.481	.301	.275	.243	.206	.885	1.0		
C15	.291	.128	.247	.086	.461	.441	.441	.407	.429	.280	.248	.209	.675	.668	1.0	
C16	.253	.085	.211	.044	.417	.397	.397	.365	.226	.359	.163	.126	.684	.676	.523	1.0

Factor analysis of retail challenges

The maximum scale score would be 80 if all the 16 items were rated as 5. However, the mean score (Table II) of 65.9677 indicates that 82.46% of the items presented in the questionnaire support their applicability in organized NLR. The factor analysis was done with principal component analysis using varimax rotation. The value for Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy was 0.774, Cronbach's Alpha for factors range from 0.8706 to 0.9877, the factor loadings range from 0.745 to 0.958. The vales for Bartlett's Test of Sphericity are; Chi-square=10528. 597, degree of freedom=120, and level of significance (p) =0. 000. Here, it is pertinent to mention that KMO≥0.7, Cronbach's Alpha≥0.7, p≥0.05, and factor loading≥0.5 is good for the validity of factor analysis results (Hair et al. 2009). The results for factor analysis are shown in Table II.

Table II

Mean, standard deviation, item-to-total correlation, communality, and factor analysis results for retail challenges

Code	Items	Components				Corrected item-to-total corre-lation	Communality extracted
		1	2	3	4		
C8	Product Sourcing	.958				.5857	.970
C6	Transparency	.945				.6130	.967
C5	Specialized Skills	.940				.6126	.970
C7	Manpower Management	.930				.5946	.948
C4	Karyana Stores		.966			.5657	.981
C2	Multiple Taxes		.959			.6077	.977
C3	Inadequate Infrastructure		.939			.7117	.970
C1	Real Estate Cost		.934			.7432	.987
C11	Quick Response			.888		.5355	.854
C12	Service levels			.885		.5040	.833
C10	High Connectivity			.869		.5559	.858
C9	Customer Loyalty			.868		.5566	.847
C14	Operational Cost				.867	.5950	.859
C13	Operations Management				.862	.5931	.867
C16	SC Performance				.809	.5000	.697
C15	Forecasting				.745	.5301	.659
Eigen Value		6.824	4.012	1.923	1.484		
% Variance		42.650	25.072	10.017	9.276		
Scale Reliability Cronbach's Alpha		0.9872	0.9877	0.9365	0.8706		

KMO=0.774, Bartlett's Test of Sphericity: Chi-square=10528.597; df=120; p=0.000. N of Cases =402.0, number of Items = 16, Alpha = 0.9002; Statistics for Scale: Mean=65.9677; Variance=75.2832; Std Dev=8.6766.

Table III

Mean and standard deviation for retail challenges, competitive advantage and organizational performance

		Mean	Std. Deviation
c1	Real Estate Cost	3.3607	1.1676
c2	Multiple Taxes	3.4403	1.0976
c3	Inadequate Infrastructure	3.3632	1.1550
c4	Karyana Stores	3.4502	1.0935
c5	Specialized Skills	3.8209	.9876
c6	Transparency	3.8209	.9774
c7	Manpower Management	3.8159	.9739
c8	Product Sourcing	3.8383	.9638
c9	Customer Loyalty	4.4254	.6039
c10	High Connectivity	4.4303	.5793
c11	Quick Response	4.4353	.5624
c12	Service levels	4.4403	.5540
c13	Operations Management	4.7289	.8841
c14	Operational Cost	4.8159	.6245
c15	Forecasting	4.8930	.4069
c16	SC Performance	4.8881	.4236
ca1	Inventory Management	4.4502	.6307
ca2	Customer Satisfaction	4.4527	.6309
ca3	Profitability	4.4502	.6147
ca4	Customer Base Identification	4.4652	.6075
op1	Market Performance	4.9453	.4544
op2	SC Performance	4.9378	.4775
op3	Stakeholder Satisfaction	4.9428	.4458
op4	Innovation & Learning	4.9478	.4234
op5	Customer Satisfaction	4.9527	.4121
op6	Financial Performance	4.9552	.4093

Statistics for Scale: Mean=113.4677; Variance=84.4192; Std Dev= 9.1880; N of Variables=26.**Item Means:** Mean=4.3641; Minimum= 3.3607; Maximum=4.9552; Range= 1.5945; Max/Min= 1.4745;   Variance= .3138

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Explanation of factor analysis results for retail challenges

Strategic Challenges (RC1): This is the most important category covering four items- product sourcing, transparency, specialized skills, and manpower management. This category explains the percentage variance of 42.65% with an Eigen value of 6.842. The factor loadings range from 0.930 to 0.958 with Cronbach's Alpha of 0.9872. The items covered are in consonance with the studies quoted in the literature survey.

Environmental Challenges (RC2): This was the second important category covering four items-karyana stores, multiple taxes, inadequate infrastructure, and real estate cost. It explains 25.072% of variance with an Eigen value of 4.012 and Cronbach's Alpha of 0.9877. The factor loadings range from 0.934 to 0.966.

Customer Challenges (RC3): This was the third important category with 10.017% of variance, 1.923 Eigen values and Cronbach's Alpha of 0.9365. The factor loadings range from 0.868 to 0.888. The items covered-quick response, service levels, high connectivity, and customer loyalty are in consonance with studies quoted in literature survey.

Supply Chain Challenges (RC4): This was the last important category covering-operational cost, operations management, SC performance, and demand forecasting. These items with an Eigen value of 1.484 explain 9.276% of variance with a load range from 0.745 to 0.867 and Cronbach's Alpha of 0.8706.

Confirmatory factor model for retail challenges, competitive advantage and organizational performance

The research framework is shown in Figure I. Six items were selected for OP (market performance, SC competencies, stakeholder satisfaction, innovation and learning, and financial performance) four items were selected for CA (inventory management, customer satisfaction, profitability, and customer base identification), and sixteen items were selected for RC. These items were rated on a five point Likert scale. The results in Table III indicate mean values of 4.3641 means, 87.2% of items covered show its applicability to organized NLR. The correlation matrix shown in the Table IV shows *Inter-item Correlations:* Mean=0.1719; Minimum= -.0722; Maximum =0.9710; Range = 1.0432; Max/Min= -13.4421; Variance=.0633. The proposed confirmatory structural model was tested using AMOS 4.0 version. The results of the proposed confirmatory model are shown in Figure III.
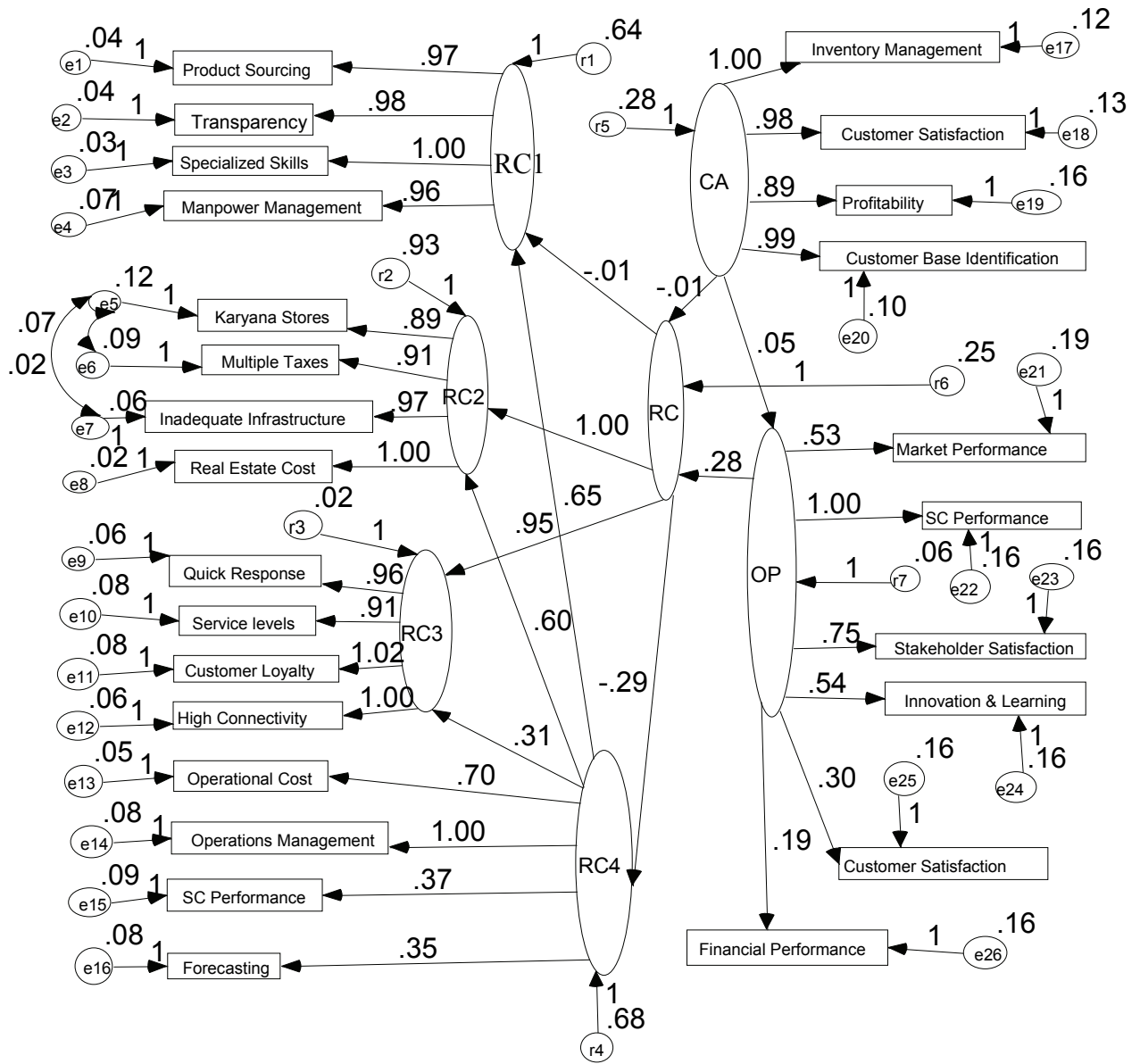
Table IV: Correlation among retail challenges, competitive advantage and organizational performance

C1	1.00																		
C2	.956	1.00																	
C3	.970	.942	1.00																
C4	.941	.971	.942	1.0															
C5	.203	.082	.180	.038	1.0														
C6	.205	.088	.190	.052	.964	1.0													
C7	.208	.071	.175	.036	.946	.935	1.0												
C8	.183	.082	.185	.050	.960	.959	.941	1.00											
C9	.450	.413	.454	.363	.199	.193	.163	.131	1.00										
C10	.482	.450	.440	.426	.157	.158	.128	.112	.816	1.00									
C11	.455	.428	.428	.406	.190	.165	.133	.135	.790	.801	1.00								
C12	.413	.390	.400	.384	.144	.206	.132	.152	.751	.776	.792	1.00							
C13	.356	.134	.314	.096	.533	.515	.562	.490	.310	.287	.258	.224	1.00						
C14	.358	.140	.314	.100	.521	.501	.502	.481	.301	.275	.243	.206	.885	1.00					
C15	.291	.128	.247	.086	.461	.441	.441	.407	.429	.280	.248	.209	.675	.668	1.00				
C16	.253	.085	.211	.044	.417	.397	.397	.365	.226	.359	.163	.126	.684	.676	.523	1.00			
ca1	.002	-.003	.028	-.002	-.046	.030	-.039	-.060	.013	-.033	.016	.052	-.013	.053	.013	-.072	1.0		
ca2	.008	-.022	.000	.022	-.026	-.046	.063	-.039	.030	-.016	.034	-.015	.082	.066	.160	-.043	.671	1.0	
ca3	.002	.005	.008	-.017	.072	.027	.055	.068	.027	-.020	.030	-.020	.042	.106	.053	.117	.608	.650	1.0
ca4	.058	.055	.064	.056	-.010	.019	-.002	-.025	.112	.004	.055	.005	-.006	-.043	.141	-.068	.728	.679	.640
op1	.084	.058	.047	.060	-.033	-.033	.056	-.032	-.024	.128	-.024	-.023	-.037	-.036	-.032	.175	-.018	.052	-.019
op2	-.027	.038	-.027	-.018	.003	.003	.002	.049	.023	.025	.138	.028	-.040	-.038	-.034	-.034	.027	.027	.096
op3	-.037	-.030	.040	-.029	-.023	-.024	-.024	-.022	.100	-.049	-.050	.112	-.039	-.038	-.034	-.034	.101	-.041	-.042
op4	.114	.109	.115	.132	-.02	-.02	-.02	-.02	.029	.153	.033	.035	.149	.039	.025	.023	.032	.145	.033
op5	.046	.057	.047	.058	.065	.016	.016	.018	-.009	-.009	.164	-.007	-.035	.121	-.030	-.030	.111	.073	.193
op6	-.03	-.03	-.03	-.03	-.01	.06	-.01	-.01	-.003	-.003	-.002	.131	-.03	-.03	.211	-.02	.194	.156	.041
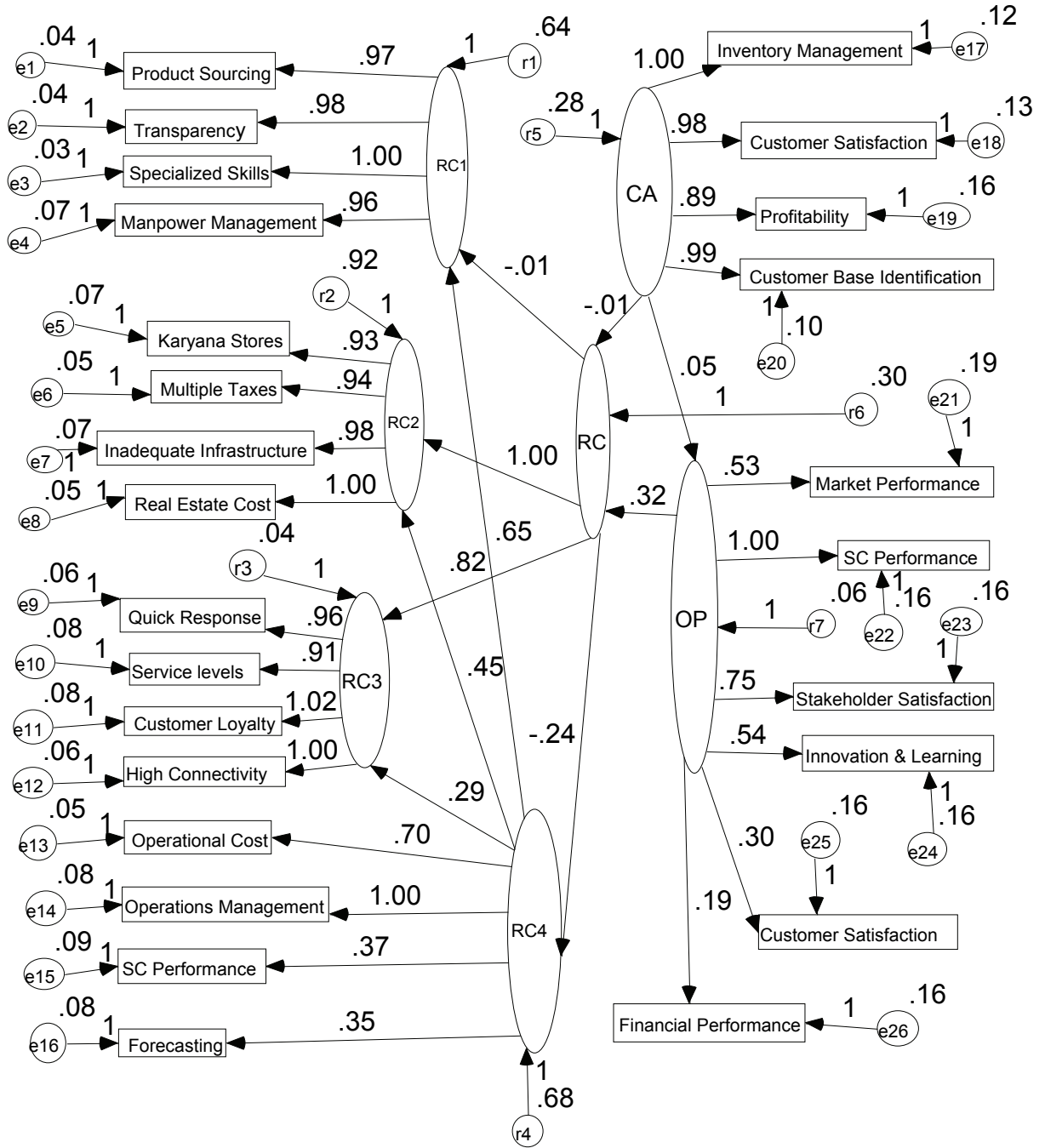
Figure II
A proposed confirmatory model for retail challenges, competitive advantage and organizational performance

Figure III
A modified confirmatory model for retail challenges, competitive advantage and organizational performance

Table V
Effect estimates for the confirmatory factor model

		Competitive Advantage (ca)	Organizational Performance (op)	Retail Challenges (rc)	Supply Chain Challenges (rc4)	Strategic Challenges (rc1)	Environmental Challenges(rc2)	Customer Challenges (rc3)
Total Effect	Op	0.054	0.000	0.000	0.000	0.000	0.000	0.000
	Rc	0.008	0.277	0.000	0.000	0.000	0.000	0.000
	Rc4	-0.002	-0.081	-0.292	0.000	0.000	0.000	0.000
	Rc1	-0.002	-0.054	-0.196	0.652	0.000	0.000	0.000
	Rc2	0.007	0.229	0.826	0.595	0.000	0.000	0.000
	Rc3	0.007	0.240	0.864	0.310	0.000	0.000	0.000
Direct Effect	Op	0.054	0.000	0.000	0.000	0.000	0.000	0.000
	Rc	-0.007	0.277	0.000	0.000	0.000	0.000	0.000
	Rc4	0.000	0.000	-0.292	0.000	0.000	0.000	0.000
	Rc1	0.000	0.000	-0.006	0.652	0.000	0.000	0.000
	Rc2	0.000	0.000	1.000	0.595	0.000	0.000	0.000
	Rc3	0.000	0.000	0.954	0.310	0.000	0.000	0.000
Indirect Effect	Op	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Rc	0.015	0.000	0.000	0.000	0.000	0.000	0.000
	Rc4	-0.002	-0.081	0.000	0.000	0.000	0.000	0.000
	Rc1	-0.002	-0.054	-0.190	0.000	0.000	0.000	0.000
	Rc2	0.007	0.229	-0.174	0.000	0.000	0.000	0.000
	Rc3	0.007	0.240	-0.091	0.000	0.000	0.000	0.000

CONFIRMATORY MODEL RESULTS

The confirmatory model loadings are shown in Figure II. The loadings for the strategic challenge (RC1) range from 0.96 to 0.96. The loading for specialized skills was set at 1.0. The other items load as; product sourcing (0.97), transparency (0.98), manpower management (0.96). The loading for environmental challenges (RC2) ranges from 0.93 to 0.98 and loading for real estate costs was set to 1.0. The loading of other items in this construct is; karyana stores (0.89), multiple taxes (0.91), and inadequate infrastructure (0.97). The loadings for customer challenges (RC3) range from 1.02 to 0.91 and loading for customer loyalty is 1.02. The items in this construct load as; quick response (0.96), service levels (0.91), and high connectivity (1.0). The loading for SC challenges (RC4) ranges from 1.0 to 0.35 and operations management was set at 1.0 loading. The loading for organizational performance range from 1.26 to 0.22 and the loading for stakeholder satisfaction was set to 1.0. The loading of other items in this construct is; operational cost (0.70), SC performance (0.37), and forecasting (0.35). The loading for CA construct range from 1.0 to 0.89. In this construct the items load as; inventory management (1.0), customer satisfaction (0.98), profitability (0.89), and customer satisfaction (0.99). The loadings for OP are in the range of 1.0 to 0.19. Here, items load as; market performance (0.53), SC performance (1.0), stakeholder satisfaction (0.75), innovation and learning (0.54), customer satisfaction (0.30), and financial performance (0.19). All the loadings for these constructs are significant explaining their contribution for the same.

The RC has loadings as; RC1 (-0.01), RC2 (1.0), RC3 (0.95) and RC4 (0.29). Also, the loadings of RC1 (0.31), RC2 (0.6), and RC3 (0.31) indicates the understanding of the challenges to meet the requirements of SC challenges. The loading of CA on RC is -0.01. The loading of CA on RC is 0.05. The loading of OP on CA is 0.32.

The model has Chi-square=3176. 956, Degree of freedom=287, Level of significance=0. 000. The values of fit indices have RMR=0. 033, NFI=0. 8, RFI=0. 8, IFI=0. 8, TLI=0. 8, CFI=0. 8. All these values are acceptable to validate the model. Here, it is pertinent mention that values for fit indices: NFI, RFI, IFI, TLI, and CFI ≥ 0.8 RMR value≤0. 05 and chi-square level of significance ≥0. 05 is good enough for structural validity of the model (Hair et al., 2009). The effect estimates are shown in Table VI. The total effect estimates for CA are; OP (0.054), RC4 (-0.008) and for the OP are; RC (0.277).

DISCUSSION

The results in the Figure 2 indicate that all the items load significantly on their respective factors indicating the applicability and contribution. The total effect estimates (Table 5) show that the total effect for RC constructs was highest for customer challenges (0.864) followed by environmental challenges (0.826). Also, it was significant for supply chain challenges (-0.292) and strategic challenges (-0.196). These values indicate that retailers understand all the challenges. The total effect for CA on OP (0.054) and for the OP on RC (0.277) indicates the understanding of the same. However, the total effect for CA on RC (0.008) indicates that they fail to match the challenges for competitive advantage. The results clearly validate the hypothesis that retailers match RC with CA and RC with the OP but, they fail to match CA with RC. Hence the hypothesis H1, H2 and H3 are proved.

CONCLUSION

However, despite the statistical sophistication of confirmatory technique more was needed to understand the RC, CA and the OP. Here, it is pertinent to mention that in different stages of organizational life cycle the RC, CA and OP items are also different. It was also interesting to note that along with organized retailers traditional retailers are also improving. Hence, to understand the dynamics, future research are needed to study customers, organized retailers, and traditional retailers together for identification of better gaps between organized and traditional retailers.

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A Study of The Impact of Malls on Local Retailers With Reference to Select Products in Eastern Suburbs of Mumbai, India

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Abstract: Retail is India's one of the largest sectors of economy accounting for ten percent of GDP (Gross Domestic Product) and eight percent of total employment. More than 90 percent of Indian retail market is still dominated by unorganized retail sector. Mumbai, being the commercial capital of the country, has witnessed huge rise in malls and hypermarkets in the last decade and is on the forefront of retail revolution. The cosmopolitan face of Mumbai, which is still dominated by traditional retail sector, has embraced new formats enthusiastically and Eastern suburbs of Mumbai have been on the forefront in this transformation. Flourishing mall culture was first witnessed in this region, giving sleepless nights to unorganized retail sector. Since majority of organized retail models cover products such as readymade garments, electronic items and furniture goods among others, systematic attempt has been made to find out the impact of organized retail sector on small and unorganized retailers, dealing with select product categories. Attempt has also been made to discover the counteractive business strategies of unorganized retail sector to offset the impact.

INTRODUCTION

Retailing consists of those business activities involved in the sale of goods and services to consumers for their personal or family use. It is the final stage in a channel of distribution which comprises of all the businesses and people involved in the physical movement and transfer of ownership of goods and services from the producer to the consumer. Retail is India's one of the largest sectors of economy accounting for ten percent of GDP (Gross Domestic Product) and eight percent of total employment. More than 90 percent of Indian retail market is still dominated by unorganized retail sector.

The scenario, though still dominant in many parts of the country, is albeit changing fast. Retailing is going through transition the world over including India. Big Indian players such as Tatas, Birlas, Ambanis, Mittals, Rahejas and many more have charted out ambitious plans to grab the share of Indian retail market before the stage is set for the final and free entry of global retailers.

SIGNIFICANCE

Mumbai, being the commercial capital of the country, has witnessed huge rise in malls and hypermarkets in the last decade. The cosmopolitan face of Mumbai, which is still dominated by traditional retail sector, has embraced new formats enthusiastically and Eastern suburbs of Mumbai have been on the forefront in this transformation.

The scope of the study covers entire Eastern suburbs of Mumbai. Eastern suburbs of Mumbai on Central Railway extend from Ghatkopar to Mulund geographically. It has population of more than fifteen lacs, approximately one sixth of the population of Mumbai district. This area was dominated by industries earlier. But due to various reasons, factories have shifted out of Mumbai, thus leaving large acres of land for construction of buildings and malls of big sizes. Five malls are already functional and seven more are coming up in the next two years. Besides malls,

all other formats of organized retail such as cash and carry, hypermarkets, supermarkets, departmental stores, specialty chain of stores exist in this region.

The local retailers in these areas have responded very cautiously to these developments. More customer centric activities are being increasingly followed to woo the customers. This phenomenon has given rise to a number of questions over a period of time, such as:

Is the mall culture going to sustain or is it just a bubble? Has it really affected local retailers or is just hype? If yes, which types of businesses are more affected and to what degree? Are the local retailers ready to take up challenges and how?

In view of these investigative questions, an attempt is made by the researcher in this research work to study impact of malls on local retailers with special reference to Readymade Garments, Furniture Goods and Electronic items in the study area.

OBJECTIVES

1. To study and analyze the impact of malls on local retailers dealing with Readymade Garments, Furniture Goods and Electronic items in Eastern suburbs of Mumbai
2. To study strategies employed by the local retailers dealing with products under study to offset the Impact of organized retailers

RESEARCH METHODOLOGY
Research Design

The study undertaken by the researcher aims at describing the growth pattern of malls in Eastern suburbs of Mumbai and its impact on local retailers in select product categories, researcher found descriptive as well as diagnostic design appropriate for the purpose of the study.

Sample design

The population or universe for the study covers entire Eastern suburbs region of Mumbai covering three Municipal Corporation wards, namely, N, S and T. Mulund, Bhandup, Kanjurmarg, Vikhroli and Ghatkopar form a part of this region. Sampling unit include independent respondent in the defined category. Researcher used convenience-sampling method for eliciting the responses from different components of the study. As per the official data supplied by Municipal Corporation of Greater Mumbai to the researcher, total number of small retail shops registered in the selected area of study as on 31.7.2008 under Mumbai Shops and Establishment Act, 1948 are Readymade Garments- 338, Furniture- 183, Electronics – 194.

Table I
Local retailers dealing with products under the study (Area wise)

Sr.No	Area	Readymade G	Furniture	Electronics	Total
1	Mulund	41	10	14	65
2	Bhandup	18	13	10	41
3	Kanjurmarg	09	03	03	15
4	Vikhroli	11	02	06	19
5	Ghatkopar	10	12	08	30
	Total shops	89	40	41	170
	% to Regd Shops	26.33	21.86	21.13	23.78

Source: Compiled from primary data Source: Letter no. CI/2827/SEC dt 8/8/2008, issued by Shops & Establishment Dept, Bombay Municipal Corporation.

Data collection

Data collection drive was conducted by tapping both primary and secondary sources. A semi-structured questionnaire was used for primary data collection. Data collection instrument was pre-tested. In addition to the questionnaires, the data was also collected through personal inter-

views and field observation method. Secondary data collection was from journals, reference books, business magazines, newspaper articles etc.

Data analyses and interpretation

For the analyses and interpretation of data, statistical tools such as measures of central tendency, simple averages and chi square test were applied.

TESTING OF HYPOTHESES

Hypothesis I:

"The emergence of malls has had significant impact on local retailers dealing with Readymade Garments, Furniture Goods and Electronic items, as a result of which their business has been affected adversely."

For testing first hypothesis, the term "business" is conceptualized and impact on business is considered on the basis of four parameters. Chi- square test is used on the various primary survey results obtained on average annual sales, average annual profit, average annual cost of operations and average annual inflow of customers. The results of the same are calculated and are presented in the form of tables below.
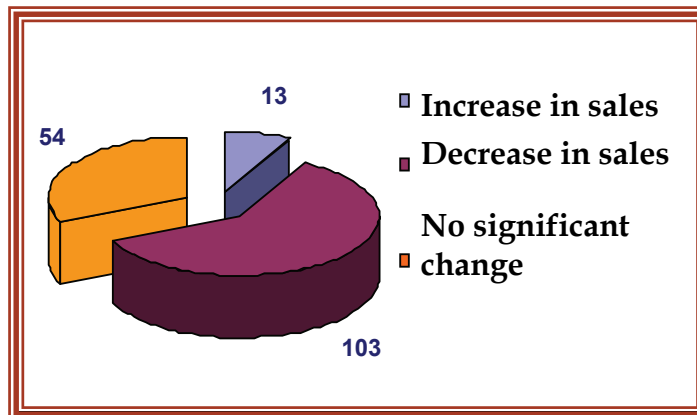
Table II: Impact of malls on Average Annual Sales of small retailers (Product wise)

Avg Sales	R. G.	F.G.	E.G.	Total
Increase	7	5	1	13
Decrease	51	17	35	103
No Significant Change	31	18	5	54
Total	89	40	41	170
At degree of freedom = 4 & 5 percent assumed error, table value for Chi^2 = 9.49, whereas observed value is 16.57, hence the hypothesis w.r.t. sales is accepted.				

Source: Compiled from primary data

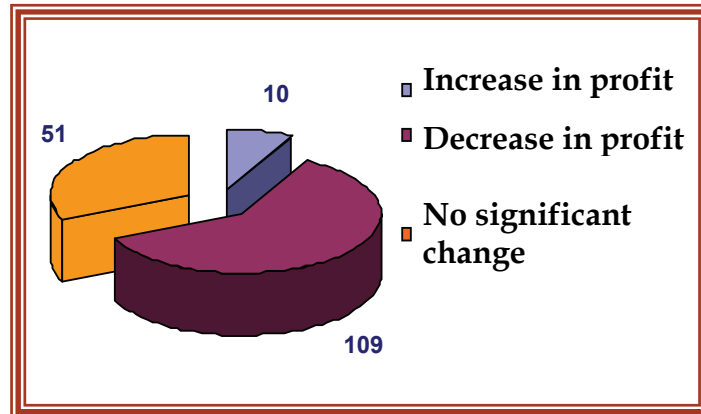**Chart I: Impact of malls on Average Annual Sales of small retailers**

Table III: Impact of malls on Average Annual Profit of small retailers (Product wise)

Avg Profit	R. G.	F.G.	E.G.	Total
Increase	7	2	1	10
Decrease	52	21	36	109
No Significant Change	30	17	4	51
Total	89	40	41	170
At degree of freedom = 4 & 5 percent assumed error, table value for Chi^2 = 9.49, whereas observed value is 14.44, hence the hypothesis w.r.t. profit is accepted.				

Source: Compiled from primary data

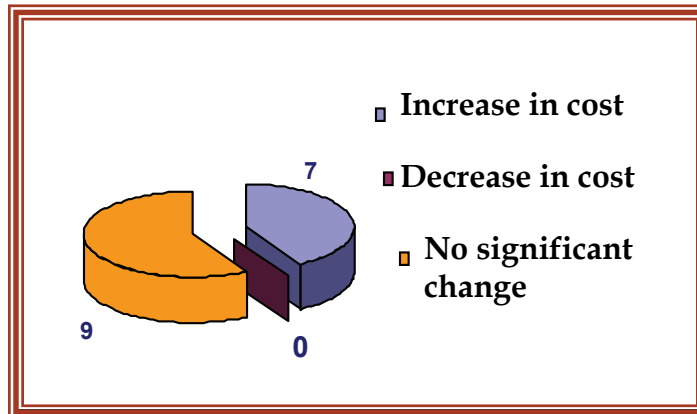**Chart II: Impact of malls on Average Annual Cost of small retailers**

Table IV: Impact of malls on Average Annual Cost of small retailers (Product wise)

Avg Cost	R. G.	F.G.	E.G.	Total
Increase	34	17	20	71
Decrease	0	0	0	0
No Significant Change	55	23	21	99
Total	89	40	41	170
At degree of freedom = 4 & 5 percent assumed error, table value for Chi^2 = 9.49, whereas observed value is 1.30, hence the hypothesis w.r.t. cost is accepted.				

Source: Compiled from primary data

Chart III: Impact of malls on Average Annual Cost of small retailers

Table V: Impact of malls on Average Annual inflow of Customers of small retailers (Product)

Avg Customer	R. G.	F.G.	E.G.	Total
Increase	7	5	2	14
Decrease	51	16	36	103
No Significant Change	31	19	3	53
Total	89	40	41	170
At degree of freedom = 4 & 5 percent assumed error, table value for Chi^2 = 9.49, whereas observed value is 20.71 hence the hypothesis w.r.t. customers is accepted.				

Source: Compiled from primary data

Chart IV: Impact of malls on Average Annual inflow of Customers of small retailers
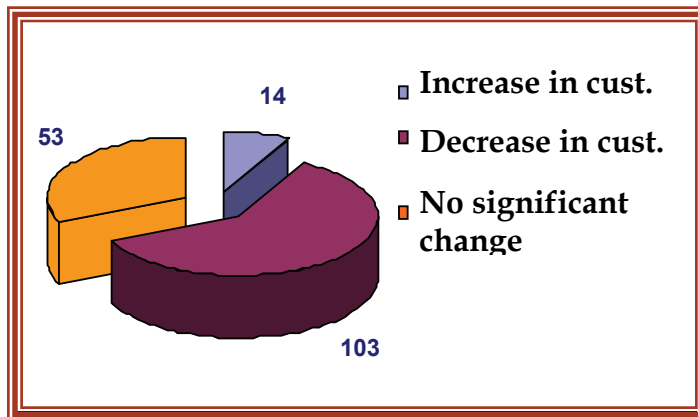
Hypothesis II:
"Local retailers are slowly but steadily shedding their age old practices and are reformulating business strategies to offset the impact of organized retail industry."

Table VI: Steps taken by small retailers to counteract the impact of malls

Sr.No.	Steps	Already Taken	Wish to take in future	Not considered
a)	Store renovation	88	74	08
b)	Business expansion	35	103	32
c)	Diversification	09	12	149
d)	Merchant Co-op.	01	11	158
e)	Computerization	11	95	64
f)	More promo offers	27	135	08
g)	More advertising	22	109	39
h)	Market research	06	54	110
i)	More variety	82	82	06
j)	Price reduction	159	06	05
k)	Credit card facility	100	58	12

Source: Compiled and analyzed from primary data

Steps already taken (By more than 50 percent small retailers)
Store renovation
More promotional offers
More variety of goods
Price cutting
Credit Card facility

Steps willing to take in near future (By more than 50 percent small retailers)
Business expansion
More promotional offers
More variety
More advertisement
Computerization
Increase in advertising budget

Steps not considering at present (More than 70 percent small traders)
Merchant cooperatives

Business diversification

Market research

Thus, from the above analyses, hypothesis No. II is accepted.

MAJOR FINDINGS
General:
- Organized retail is a horse of long run in India
- Co-existence of modern retailers and traditional retailers ensured due to vast and diverse nature of Indian market
- Indian consumer is all set to enjoy the real crown of "King /Queen" in India now
- Economic meltdown phase – an opportunity for reorientation and restructuring for modern retailers
- Global retailers shall make strong efforts to launch themselves in India in coming years due to promising market scenario

Impact of malls on local retailers in the area of study:
- Business of local retailers in all five suburbs of Eastern Mumbai is affected in terms of sales, profit, cost of operation and flow of customers in all three product categories, though the degree of impact differs area wise and product wise. In RG & Furniture category, the impact is unevenly spread area wise whereas in Electronic goods the impact is felt throughout the suburbs
- Business of small retailers in the suburb of Mulund is majorly affected in all three select product categories, followed by other two suburbs, namely Bhandup and Ghatkopar. These are the suburbs where more density of all formats of organized retail is found
- Among all suburbs, small traders in Kanjurmarg, have witnessed less impact of organized retail due to unique demographic composition and the distance of OR formats
- As far Vikhroli is concerned, small retailers dealing with electronic products are affected due to the entry of specialty retail chains. As there are no malls or specialty retail chains in other two product categories, small local retailers are less affected
- Local retailers are shedding their age old practices and are reformulating business strategies to retain their customers
- Local retailers in RG category need to be very alert and innovate themselves as the customers in all age groups are getting attracted to modern retailers due to their irrestible appeal
- Increasing and clear preference of young consumers towards modern retailers due to aggressive branding
- Small retailers may have tough times ahead if Indian government goes ahead with its plan of opening up of consumer durables sector for FDI

SUGGESTIONS AND RECOMMENDATIONS
a. Big retailers with strong financials may expand their territories through the route of acquisitions and consolidate themselves before the free and final entry of global retailers in India
b. USP of organized retailers is "Shoppertainment" experience to customers under one roof. Entertainment appeal of the organized retail formats (especially malls) needs to be strengthened further along with shopping experience by introducing innovative services
c. Need to evolve region specific formats of OR that would suit the requirements of diverse Indian markets

d. Global retailers may be allowed to enter into supply chain and logistic management operations. FDI inflow in back end operations would bring required technology and expertise of global retailers and would help in reducing wastage, thus maximizing productivity in retail

e. Clear and comprehensive national policy document covering all dimensions of retail is a must. Fear of small retailers is understandable and the Indian government must unequivocally express its commitment to ally the apprehensions of unorganized retail sector which is one of the biggest employers in India.

f. Unorganized retail sector has to shed its resistance, negativity, inhibitions and accept the change unconditionally. Local retailers must leverage on their strengths and go for innovative marketing to take on to the challenges posed by organized retail sector.

CONCLUSION

Indian retail sector is indeed undergoing metamorphosis. The size of entire Indian consumption economy is estimated to be $ 350 billion and another $ 40 billion additional consumption is expected to be generated every year. In such a burgeoning Indian market, there is a space for one and all.

However, efforts are required by both organized and unorganized retailers to capitalize on their strengths. Synergistic and conciliatory approach by both the sectors instead of confrontation is the need of the hour. Both small and big retailers enjoy unique set of strengths. Both sectors could come together and form strategic partnership in different areas in order to harness maximum benefits through proactive approach. Different models suggested by the researcher aim at leveraging on the areas of strengths in order to derive maximum advantages. Antagonistic attitude of trade unions, laid back approach of small retailers, fence sitting policy of Indian government are some of the impediments which need to be shunned in order to welcome the change in the millennium.

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