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A CASE STUDY ON CORPORATE RESTRUCTURING – ACQUISITION OF FAMILY CREDIT LIMITED BY L&T FINANCE HOLDING LIMITED

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ABSTRACT

In the today’s era of intensive competition, the survival and growth of the business has become challenging. Post globalization, a cut throat competition is observed in the business world. The company has to adopt various long term strategies to be successful in the corporate world.

Corporate Restructuring has become one of the popular business strategies for the growth, development, expansion and diversification of business.

The researcher has taken acquisition deal of Family Credit Ltd. (FCL) by L&T Finance Holding Ltd. in financial service sector. The case is studied and analyzed by collecting data from news articles, books and authentic website of the company. The critical and creative analysis is done to know the impact on the shareholders’ wealth and company’s post merger profitability on real and practical grounds in financial service sector of India.

Keywords: Corporate Restructuring; Wealth Maximization; Profitability; Competition

INTRODUCTION

In the today’s era of intensive competition, the survival and growth of the business has become challenging. Companies use to follow different strategies to achieve its objective of shareholders’ wealth maximization. Corporate Restructuring is one of the strategies which are followed in today’s business world to give new height to the business. It is defined as “A practice of redesigning one or more aspects of the business to create value.” It can be stated as an elementary change in direction, strategy and approach for an organization, which have effect on the way in which the organization is well thought-out. Due to globalization, companies sometimes use it as strategy to enter into new market of global village. In India also companies follow corporate restructuring as a business strategy to create value for shareholders as well as for the future growth of business.

LEARNING OBJECTIVES

1. To acquaint the reader with the concept and application of Business combinations and Corporate Restructuring.
2. To identify with motives behind Corporate Restructuring.
3. To analyze the impact of Business Combination post-merger.
4. To study the impact on shareholders’ wealth as well as on the profitability of company
BACKGROUND OF THE CASE

This Case focuses on Mergers & Acquisitions as a strategy of Corporate Restructuring with reference to Financial Services in the area of Financial Management.

**Corporate Restructuring:** Post Globalization, a cut throat competition is observed in the Business world. Due to integration of world economies, survival of the business has become a challenge. The company has to adopt various long term strategies to be successful in the corporate world. Corporate restructuring has become one of the popular strategies for the growth, development, expansion and diversification of business. It is the process of redesigning the aspects of company to move the company in an entirely new direction. Corporate restructuring becomes necessity when the company has grown to the point that the original structure can no longer manage to increase the shareholders’ wealth and growth of company. Corporate restructuring helps the company to increase its cutting edge over the competition and enhance its leadership position.

**Financial Service Sector:** Financial Services are defined as the services provided by the finance industry, which include a variety of Companies and institutes that deal with money, together with accountancy companies, insurance companies, credit unions, consumer finance companies, banks, investment funds, stock brokerages and some enterprises. Financial sector is going on transformation and revolutionary changes. The financial sector of India, as a whole, exhibits vibrancy and resilience,” C Rangarajan, Chairman of the Prime Minister’s Economic Advisory Council. In corporate restructuring there are lot of financial services which are extended by this sector. Growth and development of financial sector reflects the expanding and inflating portrait of this sector in India. Even RBI and Government efforts to promote economic development have given more pace and opportunity to develop Financial Service sector.

**About the L&T Finance Holdings:** Like the rest of the companies in the L&T Financial Services group, Company share the professional values and ethos of parent company, Under L&T Financial Services, Company successfully built businesses across Infrastructure Finance, Corporate Finance, Retail Finance, Mutual Funds and General Insurance. Company aspire to become a fully integrated financial services player and are also building solid businesses in the Consumer Financing segment.

**About the Family Credit Limited:** Family Credit aspires to be the preferred consumer finance company to cater to the needs of Indian consumers. Company’s aim is to develop a team of highly efficient employees to deliver value to the customers through its associates & channel partners by following strong ethical practices. Family Credit, consistently endeavour to bring the value through quality products & services. Family Credit has 53 branches with a loan portfolio of 12.87 billion rupees as of June 30, 2012. The company reported a net profit of about 50 million rupees and a net interest margin of 13.6% for the quarter ended June 30.

**Execution of the deal:** L&T Finance had completed the acquisition of Family Credit Limited (FCL) from French company Society Generale. L&T Finance had announced the acquisition of Family Credit for Rs 120 crore in October 2012. The acquisition will consolidate its presence in auto financing business in India, the company said. As of June 30, FCL had loan book size of Rs 1,287 crore of which two-wheeler financing constituted 53% and car financing 35%. It has 53 branches across 16 states in India and presence in more than 1,400 dealer outlets with a customer base in excess of 4,00,000. Family Credit has 53 branches with a loan portfolio of 12.87 billion rupees as of June 30, 2012. The company reported a net profit of about 50 million rupees and a net interest margin of 13.6% for the quarter ended June 30. Refer Table 1, 2 & 3 for Facts and Statistics of Merger. After merger, Family credit Ltd. a Non Banking Financial Services Company (NBFC) is a wholly owned subsidiary of L&T Finance Holdings Ltd. Fluctuations in Market Price of Shares – Post Merger for L&T Finance holdings Ltd. Shares of Mumbai based L&T Finance holdings Ltd ended at Rs. 93.05, up by 4.55% on BSE. Refer Graph 1.
DISCUSSION AND INTERPRETATION OF THE CASE

Findings and Observations (chart)

- From the above chart, it can be interpreted that L&T Finance Holdings Ltd share prices and volume has shown upward trend Oct 2012 to Feb 2013. After that there are slightly fluctuations in the share prices. As compared to previous financial year (Jan 2012), upward i.e. positive trend is observed.
- The duration showing upward trend is post merger phase. Thus, it can be concluded that the merger has positively affected company’s share price which leads to wealth maximization for shareholders as capital appreciation in their investment.

Findings and Observations (Financial Data- Income Statement)

- Total Income has been increased by 55% post merger and EBIT has been increased by 54%. Thus, after merger, there is a sharp rise in the income of L&T Finance.
- In post merger period, company has gone for payment of dividend for preference shareholders as well as equity shareholders which shows company has enhanced shareholders’ wealth by declaring dividend and shows improving financial health of the company.
- There is a drastic hike in EPS. It has been increased by 3.3 times as compared to pre merger period which proves the success of acquisition deal.

Post Merger Benefits

- It is observed that merger is going to create synergies for both companies as L&T Holdings will expand product offerings from retail financing to consumer financing.
- Company has amplified the umbrella of its products to the auto financing and two wheeler product offerings.
- Merger leads to Wealth Maximization for shareholders and improving profitability of L&T Holdings Ltd.
- Merger will facilitate company to overcome the competitors as add on to product portfolio of auto financing.
- Opportunity for L&T Holdings Ltd. to enter in to new market, new users (increase in customer base in surplus of 4,00,000 of FCL) by entering in to the Auto financing.
- Merger leads to enhance the market share of company in the financial service sector.
- Financial Constraint can be removed or the surplus cash can be deployed in post merger.

CONCLUSION

Mergers & Acquisitions are always considered as the attractive business strategy for Corporate Restructuring. It is the practice of achieving synergy, profitability, market share, removing financial constraint, shareholders’ wealth, deploying surplus cash, enhancing product portfolio and reducing competition. In the above case, after analyzing secondary data of the company in post merger period, it can be concluded that merger leads to wealth maximization for shareholders. L&T Holdings Ltd. has attained the synergy, new customer base of approx. 4,00,000 in new product portfolio of auto financing and presence in 16 states in the business combination with FCL. Thus, to conclude this acquisition deal is successful as increase in shareholders’ wealth has been observed and the very purpose of corporate restructuring has been achieved.

ASSIGNMENT QUESTIONS

Q-1 Analyze the case from the point of view of Shareholders.
Q-2 whether M & A deal leads to gain synergy? If yes justify.

Q-3 How the deal affected market price of the Surviving Company?

Q-4 Do you think deal is going to affect market penetration of the L & T Holdings? Justify

Q-5 Assume you are the part of decision making authority for this M & A deal than what will be your decision as company should go for deal or not. Give Explanation for the same.

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5. Indian Journal of Finance, Vol 6 (ISSN: 0973-8711 IC Value 5.09), Nov. 2012


9. www.ltfinanceholdings.com


ANNEXURE

Tables/Graphs-

Table 1. Facts and Statistics of Merger

<table>
<thead>
<tr>
<th>Market Cap (Rs Cr.)</th>
<th>EPS - TTM (Rs): 1.14</th>
<th>P/E Ratio (x): 56.23</th>
<th>Face Value (Rs): 10.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,041</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
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<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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</table>

Table 2. Facts and Statistics of Merger

<table>
<thead>
<tr>
<th>Deal Amount</th>
<th>Rs. 120 Cores</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCI Branches</td>
<td>53</td>
</tr>
<tr>
<td>Loan Portfolio</td>
<td>Rs. 12.8 Billion</td>
</tr>
<tr>
<td>Net Profit of FCL</td>
<td>Rs. 50 Million</td>
</tr>
<tr>
<td>Product Portfolio</td>
<td>Two wheeler financing: 53% Car financing: 35%</td>
</tr>
<tr>
<td>Market coverage in India</td>
<td>16 States</td>
</tr>
<tr>
<td>Dealers Outlets</td>
<td>More than 1,400</td>
</tr>
</tbody>
</table>
Graph 1: Share Prices and volume of L&T Finance holdings Ltd.

Table 3. Financial Data- Income Statement

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Mar’13(Post Merger)</th>
<th>Mar’12(Pre Merger)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12Months</td>
<td>12Months</td>
</tr>
<tr>
<td>Sales Turnover</td>
<td>171.98</td>
<td>111.84</td>
</tr>
<tr>
<td>Excise Duty</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>NET SALES</td>
<td>171.98</td>
<td>111.84</td>
</tr>
<tr>
<td>Other Income</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL INCOME</td>
<td>200.67</td>
<td>129.42</td>
</tr>
<tr>
<td>Manufacturing Expenses</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>Material Consumed</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>Personal Expenses</td>
<td>15.09</td>
<td>11.16</td>
</tr>
<tr>
<td>Selling Expenses</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>25.98</td>
<td>14.80</td>
</tr>
<tr>
<td>Expenses Capitalised</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>Provisions Made</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>TOTAL EXPENDITURE</td>
<td>41.07</td>
<td>25.96</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>130.90</td>
<td>85.87</td>
</tr>
<tr>
<td>EBITDA</td>
<td>159.60</td>
<td>103.46</td>
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<tr>
<td>Depreciation</td>
<td>.10</td>
<td>.01</td>
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<tr>
<td>Other Write-offs</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>EBIT</td>
<td>159.50</td>
<td>103.45</td>
</tr>
<tr>
<td>Interest</td>
<td>27.77</td>
<td>14.55</td>
</tr>
<tr>
<td>EBT</td>
<td>131.73</td>
<td>88.90</td>
</tr>
<tr>
<td>Taxes</td>
<td>56.14</td>
<td>17.65</td>
</tr>
<tr>
<td>Profit and Loss for the Year</td>
<td>75.60</td>
<td>71.25</td>
</tr>
<tr>
<td>Non Recurring Items</td>
<td>235.73</td>
<td>.00</td>
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<tr>
<td>Other Non Cash Adjustments</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>Other Adjustments</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>REPORTED PAT</td>
<td>311.33</td>
<td>71.25</td>
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<tr>
<td>Preference Dividend</td>
<td>1.50</td>
<td>.00</td>
</tr>
<tr>
<td>Equity Dividend</td>
<td>128.76</td>
<td>.00</td>
</tr>
<tr>
<td>Equity Dividend (%)</td>
<td>7.49</td>
<td>.00</td>
</tr>
<tr>
<td>Shares in Issue (Lakhs)</td>
<td>17167.61</td>
<td>17147.62</td>
</tr>
<tr>
<td>EPS - Annualised (Rs)</td>
<td>1.81</td>
<td>.42</td>
</tr>
</tbody>
</table>

Note: Rs (in Crores)
ABSTRACT
The purpose of the study is to investigate, does the customer relationship management, improve customer satisfaction and customer loyalty in retail banks. This study was conducted in Theni District of Tamil Nadu state. This study was conducted during the period of January 2014 to May 2014. The results of factor analyses revealed five CRM dimensions, namely, Trust, Commitments, Competence, Customer Experience and Relationship Quality. ‘Trust’ dimension was highly viewed CRM dimensions among the customers. The significantly associating important profile variables with the importance attached on the CRM dimensions have been identified in case of Age and Educational Qualifications. ‘Commitment’, ‘Competence’, ‘Relationship Quality’ and ‘Customer Experience’ dimensions of CRM were found to positively affect customer satisfaction. Furthermore, ‘Trust’, ‘Competence’, ‘Commitment’ dimensions of CRM were found to be positively impacted the customer loyalty. The identification of the CRM dimensions and its impact on customer satisfaction and customer loyalty will help the bank management to design suitable policies regarding CRM in retail banking.

Keywords: Trust; Commitment; Competence; Relationship Quality; Customer Experience

INTRODUCTION
The banking industry around the globe is experiencing a period of rapid change. This turbulence has led to many banks adopting various relationship marketing strategies in order to gain a strategic competitive advantage in the marketplace (Proenca and De Castro, 2005; Trethowan and Suci, 1997, Crane and Eccles, 1993). Studies identified that cost savings are essential, pressure to increase profitability has motivated banks to focus on developing and maintaining long term relationship with customers (Kandampully and Dubby, 1999), Particularly business customers, where relationships are key to keeping customers (Adamson et al., 2003; Hawke and Heffernan, 2005). Strong relationship with business customer foster increased profit, improved communication, and an increase in satisfaction, creating loyalty (Petersen and Rajan, 1994). In the banking industry, the importance of relationship development and maintenance with key customers has previously been studied (Madill et al., 2002). The benefits of strong relationships with key customers include increased profit through reduced risk, improved communication links and referrals (Hawke and Heffernan, 2006) and increase in customer satisfaction leading to more loyal customers (Petersen and Rajan, 1994; Binks and Ennew, 1997; Ennew and Binks, 1999; Tyler and Stanley, 1999). The concept of relational marketing has
emerged within the field of service marketing and industrial marketing (Berry, 1983; Jackson, 1985; Gummesson, 1987; Christopher et al., 1991; Gummesson, 1991). In the marketing literature, the terms Customer Relationship Management (CRM) and Relationship Marketing are used almost interchangeably (Parvatiyar and Sheth, 2000) CRM is a widely implemented strategy for managing a company’s interactions with customers. CRM enables a company to enhance revenue and increase customer value through understanding and satisfying the individual customer needs. (Liu and Yang, 2009; Kaufmann et al., 2012).

Further, several studies have revealed that an organization’s level of relationship marketing activities is positively correlated to its performance, staff satisfaction (Buchanan and Gillies, 1990; Reichheld and Kenny, 1990; De Souza, 1992; Berry, 1983; Reichheld, 1993, 1994, 1996; Sharma and Sheth, 1997) New product success (Gumunden et al., 1996; Campbell and Cooper, 1999) and Level of strategic competitive advantage achieved in the marketplace, (Kraljic, 1983; Ganesan, 1994; Germain and Droge, 1997; Reck and Long, 1988).

There is no universally agreed definition of CRM (Ngai, 2003). It is an area that has been viewed from multiple perspectives (example, Technology, Strategy, Philosophy) and it therefore means different thing to different people, depending on the context and other contingent factors (Baran et al., 2008; Dimitriadis and Steven, 2008; Piskar and Fagel, 2009). Bittner (1995) identified the various factors that lead to the development and growth of relationship marketing. These are the increasingly global and intense nature of competition, more demanding and sophisticated customers, increased fragmentation of consumer markets, rapidly changing customer buying pattern and influence of technology. The present study consists of Introduction, Literature Review, Objectives of the Study, Research Methodology, Result and Discussion and Managerial Implications.

LITERATURE REVIEW

Numerous studies have been conducted with regard to customer relationship management. Several studies have been conducted regarding relationship marketing literature, For example, Trust (Moorman et al., 1993; Morgan and Hunt, 1994; Ndubisi, 2004) Commitment (Morgan and Hunt, 1994; Ndubisi, 2004), Competence (Anderson and Weitz, 1989), Equity (Gundlach and Murphy, 1993). Empathy (Ndubisi, 2004), Conflict Handling (Dwyer et al., 1987), Communication and Sharing of Secrets (Crosby et al., 1990). Several studies have pointed out those companies can benefit by keeping long term customer relationship due to customer satisfaction (Shani and Chalasani, 1992; Zeithaml et al., 1993). Gwinner et al., (1988) found that motivated customers who maintain long term relationships with their providers expect not only to receive good service, but also additional benefits from maintaining that relationship. Furthermore, several studies have examined CRM implementation in different kinds of industries such as Business Markets (Gummesson, 2004), public services (Pan et al., 2006), Tourism, (Ozgener and Iraz, 2006), Transport services (Cheng et al., 2008), Retailing (Minami and Dawson 2008), and Hotels (Lo et al., 2010). Padmavathy et al., (2011) identified the various factors of customer relationship management effectiveness in Indian retail banks. These are, Organizational commitment, customer experience, process – driven approach, reliability and technology orientation. Customer loyalty and retention is the central aim of relationship marketing and is closely related to company profitability (Heskektt et al., 2008, Rust and Zahorik 1993). Strong relationships with business customers foster increased profit, improved communication and increase satisfaction, creating loyalty (Petersen and Rajan, 1994). Hennig – Thuraus et al., (2002) Identified that the key relationship marketing outcome is customer loyalty. Chen and Popovich (2003) viewed CRM as the strategic use of information, process, technology and people to manage the customer relationship with a firm. Sin et al., (2005) identified four components of CRM. These are, customer focus, CRM organization, technology based CRM and knowledge management. Several studies have established a positive association between relationship strategies and business performance (Naidu et al., 1999). Furthermore, relationship marketing will not automatically lead to strong customer relationships; rather customer will reveal different levels of relationship closeness and strength (Berry, 1995; Liljander and Standvik, 1995). Customer satisfaction with a bank relationship is a good basis for loyalty. (Bloemer et al., 1998; Pont and Mc Quicken 2005). Customer satisfaction and loyalty are
highly correlated (Athanassopoulos et al., 2001; Hallowell, 1996). In the context of customer relationship management literature, loyalty has been referred to as a favorable attitude towards a brand in addition to purchasing it repeatedly (Day, 1969): A relationship between relative attitude towards an entity and repeat patronage behavior (Dick and Basu, 1994): and repeat purchase intentions and behaviors (Peter and Olson, 1990). Loyal customers are less likely to switch to a competitor on account of giving price inducement and these customers make more purchase, as compared to less loyal customers (Baldinger and Rubinson, 1996). Furthermore, customer loyalty has been considered as an important source of long term business success (Rust and Zahorik, 1993), and building a relationship with a customer is a good way to retain.

Basar Oztaysi et al., (2011) identified a measurement tool for customer relationship management process. These are targeting management, customer information management, production service customization, expansion management, referrals management, termination management and win back. Even though, there are several studies has been conducted with regard to customer relationship management in the banking sector, there is no exclusive study which links the relationship between customer relationship management in retail banks and customer loyalty. Hence the researcher has made an attempt to fill the gap with proposed research models.

Proposed Research Model to be tested: 1

The proposed research model of the study is exhibited in figure 1.1

Proposed Research Model to be tested: 2

The proposed research model of the study is illustrated in the figure 1.2
OBJECTIVES OF THE STUDY

Based on the proposed research models the objectives of the study are confined,

1. To identify the important customer relationship management dimensions of retail Banking Sector.
2. To reveal the customer perception on various dimensions of CRM in retail Banking.
3. To measure the association between the demographic profile of the respondents and their views on different dimensions of CRM in Banking Sector.
4. To examine the impact of different dimensions of CRM with customer satisfaction.
5. To evaluate the linkage between different dimensions of customer relationship management and customer loyalty in Banking Sector.

RESEARCH METHODOLOGY

The scope of the study is restricted only to the retail banking customers in Theni, District of Tamil Nadu. Stood (2003) defines retail banking as “Catering to the multiple banking requirements of individuals relating to deposits, advances and associated services”. In Theni district 80 public sector bank branches and 43 private sector bank branches and 20 foreign bank branches are there. Therefore the total number of bank branches in Theni district comes around 143 banks. From the each commercial bank branches, three customers were identified by the researcher for collection of data. Therefore the total sample size was 429 customers. This study was conducted over a period of four weeks, five days in a week (Tuesday to Saturday) between 10.30 A.M. to 1.00 P.M. The researcher approached every fifth customer who came to bank for the transaction. The purpose of the survey was clearly explained to the customer and encouraged to fill the questionnaire. The researcher adopted systematic Random sampling method for collection of data. The researcher used questionnaire method for data collection from the respondents. The questionnaire consists of four important parts. The first part of the questionnaire covers the demographic profile of the respondents, the second part of the questionnaire consists of variables relating to CRM, the third part of the questionnaire consists of variables relating to customer satisfaction and fourth part of the questionnaire covers variables relating to loyalty. The respondents have been asked to answer the questionnaire at five point scale. Before administering the questionnaire to the respondents, a pilot study was conducted and based on the feedback obtained from the respondents few modifications has been made in the questionnaire to suit the requirements of the present study. Prior to this, content validity of the questionnaire was verified by constituting a panel which consists of one Bank Manager specialized in CRM and one marketing professor who have twenty years of experience in service marketing. This study was conducted during the period of January 2014 to May 2014. Even though the researcher made several efforts to collect data, the researcher can able to collect only 227 questionnaires. Therefore the response rate of the questionnaire was 52.91 percent.

QUESTIONNAIRE DEVELOPMENT

The researcher used questionnaire method for collecting data from the respondents. The variables relating to the present study is drawn from the previous works of Dwyer et al., (1987), Anderson and Weitz (1989), Morgan and Hunt (1994), Gundlach et al (1995), and Selnes (1998), Churchill and Surprentan (1982), Crosby et al., (1990), and Moorman et al., 1993, Cho et al., (2009), Rygielski et al., (2002) and suitable modification has been made in the existing questionnaire to suit the requirement of the present study.

PROPOSED HYPOTHESIS

In order to study the impact of these five dimensions of CRM (Independent Variables) on Customer Satisfaction (Dependent Variable), Regression Analysis was used. A following set of null hypothesis was proposed.
H0₁: Trust dimension will have no significant impact on overall Customer Satisfaction with Retail Banking.

H0₂: Competence dimension will have no significant impact on overall Customer Satisfaction with Retail Banking.

H0₃: Commitment dimension will have no significant impact on overall Customer Satisfaction with Retail Banking.

H0₄: Customer Experience dimension will have no significant impact on overall Customer Satisfaction with Retail Banking.

H0₅: Relationship Quality dimension will have no significant impact on overall Customer Satisfaction with Retail Banking.

H0₆: Trust dimension will have no significant impact on Customer Loyalty with Retail Banking.

H0₇: Competence dimension will have no significant impact on Customer Loyalty with Retail Banking.

H0₈: Commitment dimension will have no significant impact on Customer Loyalty with Retail Banking.

H0₉: Customer Experience dimension will have no significant impact on Customer Loyalty with Retail Banking.

H0₁₀: Relationship Quality dimension will have no significant impact on Customer Loyalty with Retail Banking.

Descriptive Statistics

With regard to gender of the respondents, 71 percent of the customers are male customers, and 38 percent of the household customer occupation is private employment. 32 percent of the customers were aged between thirty five to forty five. Thirty seven percent of the sampled customer had monthly income of more than Rs. 1,00,000. Regarding the educational qualification of the respondents, 43 percent having an undergraduate degree as their educational qualification. Eighty two percent of the respondents were hailing from Nuclear family.

In order to ascertain the internal consistency of the data cronbach alpha was computed. Table 1 show that cronbach alpha varied between 0.892 (for the “Trust” dimension) to 0.714 (for the “Relationship Quality”) and were above the recommended 0.7 threshold level (Nunnally, 1978).

<table>
<thead>
<tr>
<th>S.No.</th>
<th>CRM Dimensions</th>
<th>No. of Original Statements</th>
<th>No. of Statements Retained</th>
<th>Cronbach Alpha</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Trust</td>
<td>6</td>
<td>6</td>
<td>.892</td>
</tr>
<tr>
<td>2</td>
<td>Competence</td>
<td>4</td>
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<td>3</td>
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<td>4</td>
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<td>4</td>
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<td>.782</td>
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<tr>
<td>5</td>
<td>Relationship Quality</td>
<td>5</td>
<td>5</td>
<td>.714</td>
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</tbody>
</table>

Sources: Computed

Various Dimensions of CRM in Retail Banking

In order to measure the various dimensions of CRM in retail banking, exploratory factor analysis was administered. The Kaiser – Meyer – Olkin measure (KMO = 0.885) and the Bartlett test of Sphericity (4110.811) revealed sample adequacy and appropriateness of factor analysis of the data. Following this, an exploratory factor analysis (EFA) using varimax rotation was performed on the 24 items. The factor analysis results in five important dimensions of CRM. These are Trust,
Competence, Commitment, Customer experience and Relationship quality. The CRM dimensions, Number of variables included, Eigen value and percentage of variance explained by the factor are shown in Table 2.

**Table 2. Various Dimensions of CRM in Retail Banking**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Dimensions of CRM</th>
<th>No. of Variables included</th>
<th>Eigen Value</th>
<th>Percentage of Variance Explained</th>
<th>Cumulative percentage of Variance Explained</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Trust</td>
<td>6</td>
<td>10.840</td>
<td>40.148</td>
<td>40.148</td>
</tr>
<tr>
<td>2</td>
<td>Competence</td>
<td>4</td>
<td>3.199</td>
<td>11.848</td>
<td>51.996</td>
</tr>
<tr>
<td>3</td>
<td>Commitment</td>
<td>5</td>
<td>1.500</td>
<td>5.557</td>
<td>57.553</td>
</tr>
<tr>
<td>4</td>
<td>Customer Experience</td>
<td>4</td>
<td>1.090</td>
<td>4.037</td>
<td>61.590</td>
</tr>
<tr>
<td>5</td>
<td>Relationship Quality</td>
<td>5</td>
<td>1.001</td>
<td>3.707</td>
<td>65.298</td>
</tr>
</tbody>
</table>

KMO Measures of sampling Adequacy 0.885

Bartlett’s Test Sphericity Chi – Square value 4110.811

Sources: Computed

The most important CRM dimension of retail banking is ‘Trust’ since its Eigen value and the percent of variation explained by this factor are 10.840 and 40.148 percent respectively. The second factor and third factor identified by the factor analysis are ‘Competence’ and ‘Commitment’ since their respective Eigen values are 3.199 and 1.500. These two factors consist of four variables and five variables. The percent of variance explained by these two factors are 11.848 and 5.557 percent respectively. A fourth factor represented ‘Customer Experience’ and fifth and final factor represented “Relationship Quality”. The percent of variation explained by these factors are 4.037 percent and 3.707 percent respectively. The narrated five CRM dimensions explain the variable in service quality of CRM in retail banking to the extent of 65.298 percent.

**Customers’ Views on CRM Dimensions at Retail Banks**

The customer’s views on various CRM dimensions at retail banks have been measured by the mean score of Trust, Competence, Commitment, and Customer experience and customer satisfaction. The results are summarized in Table No. 3.

**Table 3. Customer Perception on Various Dimensions of CRM**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>CRM Dimensions</th>
<th>Mean Score</th>
<th>Standard Deviation</th>
<th>Co – efficient of Variation (In percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Trust</td>
<td>2.3920</td>
<td>0.68904</td>
<td>28.81</td>
</tr>
<tr>
<td>2</td>
<td>Competence</td>
<td>2.3717</td>
<td>0.73412</td>
<td>30.95</td>
</tr>
<tr>
<td>3</td>
<td>Commitment</td>
<td>2.2894</td>
<td>0.62537</td>
<td>11.93</td>
</tr>
<tr>
<td>4</td>
<td>Customer Experience</td>
<td>2.2994</td>
<td>0.67683</td>
<td>12.80</td>
</tr>
<tr>
<td>5</td>
<td>Relationship Quality</td>
<td>2.4414</td>
<td>0.76314</td>
<td>31.25</td>
</tr>
</tbody>
</table>

Sources: Computed

The highly perceived CRM dimensions among the customer are ‘Trust’ and competence since its respective mean score is 2.3920 and 2.3717 respectively. The higher fluctuation is seen in the perception on the “Relationship Quality” since their respective co – efficient of variation is 31.25 percent. Commitment scored the lowest mean score (2.2894) and to lesser fluctuation is seen in the perception on “Commitment” since its relative co – efficient of variation is 11.93 percent.

In order to measure the association between the demographic profile of the respondents and their perception of various dimensions of CRM one-way ANOVA was administrated.
Table 4. Association between profile of customers and their perception on various dimensions of CRM

<table>
<thead>
<tr>
<th>S. No</th>
<th>Profile Variables</th>
<th>Trust</th>
<th>Competence</th>
<th>Commitment</th>
<th>Customer Experience</th>
<th>Relationship Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gender</td>
<td>.718</td>
<td>.866</td>
<td>.784</td>
<td>2.079</td>
<td>.940</td>
</tr>
<tr>
<td>2</td>
<td>Age</td>
<td>2.265*</td>
<td>2.829*</td>
<td>3.225*</td>
<td>1.879</td>
<td>3.510*</td>
</tr>
<tr>
<td>3</td>
<td>Educational Qualification</td>
<td>2.078*</td>
<td>1.806</td>
<td>2.547*</td>
<td>1.898</td>
<td>2.396*</td>
</tr>
<tr>
<td>4</td>
<td>Occupation</td>
<td>1.471</td>
<td>2.459</td>
<td>1.892</td>
<td>3.175*</td>
<td>1.819</td>
</tr>
<tr>
<td>5</td>
<td>Monthly Income</td>
<td>1.480</td>
<td>1.098</td>
<td>1.524</td>
<td>2.884</td>
<td>1.259</td>
</tr>
<tr>
<td>6</td>
<td>Nature of Family</td>
<td>2.142</td>
<td>2.180*</td>
<td>2.283</td>
<td>1.964</td>
<td>1.898</td>
</tr>
</tbody>
</table>

Note: * Significant at five percent level

Sources: Computed

The significantly associating profile variables with the levels of perception on Trust are ‘Age’ and ‘Educational Qualification’ since their respective ‘F’ statistics are significant at five percent level, whereas regarding the perception on competence dimension, these profile variables are Age and Nature of family. Regarding the perception on commitment factor, the significantly associating profile variables are Age, Educational Qualification where as regarding the perception on customer experience, these demographic profile variables are occupation. Regarding the perception on relationship quality dimensions, the significantly associating profile variables are ‘Age’ and ‘Educational Qualification’. Since their respective ‘F’ statistics are significant at five percent level.

The Inter Correlation between the Perception of Various CRM Dimensions

The interrelationship between the perception of various dimensions of CRM in retail banking, customer satisfaction and customer loyalty is examined with the help of Karl Pearson correlation co-efficient and its respective significance is shown in Table No. 5.

Table 5. Inter correlation between various Dimensions of CRM with Customer Satisfaction, Customer Loyalty

<table>
<thead>
<tr>
<th>Factors</th>
<th>Trust</th>
<th>Competence</th>
<th>Commitment</th>
<th>Customer Experience</th>
<th>Relationship Quality</th>
<th>Customer Satisfaction</th>
<th>Customer Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>1</td>
<td>.688**</td>
<td>.619**</td>
<td>.734**</td>
<td>.636**</td>
<td>.679**</td>
<td>.682**</td>
</tr>
<tr>
<td>Competence</td>
<td></td>
<td>1</td>
<td>.573**</td>
<td>.644**</td>
<td>.652**</td>
<td>.659**</td>
<td>.741**</td>
</tr>
<tr>
<td>Commitment</td>
<td></td>
<td></td>
<td>1</td>
<td>.700**</td>
<td>.645**</td>
<td>.580**</td>
<td>.574**</td>
</tr>
<tr>
<td>Customer Experience</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>.722**</td>
<td>.732**</td>
<td>.731**</td>
</tr>
<tr>
<td>Relationship Quality</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.736**</td>
<td>.688**</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.588**</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Sources: Computed
All inter correlation coefficients are positive, but the significant positive correlation coefficient is identified with the Trust to Competence, Commitment, Customer experience, Relationship quality, customer satisfaction and customer loyalty, since their respective correlation coefficients are significant at the five percent level. Regarding the competence the significant positive relationship is noticed with commitment, customer experience, relationship quality, customer satisfaction and customer loyalty. The significant positive relationship is identified among “Customer Experience” and “Relationship Quality” with customer satisfaction and customer loyalty, since their correlation coefficient are significant at five percent level. The significant positive correlation is noticed between customer satisfaction and customer loyalty.

**Impact of CRM Dimensions on Customer Satisfaction**

In order to examine the impact of CRM dimensions and customer satisfaction multiple regression analysis has been administered. The mean score on customer satisfaction was treated as the dependent variable, whereas the mean score on perception of various dimensions of CRM is considered as independent variables. The fitted regression model is

\[
y = a + b_1 x_1 + b_2 x_2 + b_3 x_3 + b_4 x_4 + b_5 x_5 + e
\]

Where,
\[
y = \text{Score on Customer Satisfaction.}
\]
\[
x_1 = \text{Score on Perception on Trust.}
\]
\[
x_2 = \text{Score on Perception on Competence.}
\]
\[
x_3 = \text{Score on Perception on Commitment.}
\]
\[
x_4 = \text{Score on Perception on Customer Experience.}
\]
\[
x_5 = \text{Score on Perception on Relationship Quality.}
\]
\[
a = \text{Intercept.}
\]
\[
e = \text{Error term.}
\]

The impact has been measured among the household customer, business customers and also for pooled data separately. The results are presented in Table 6.

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>CRM Dimensions</th>
<th>Regression Co-efficient Among Business Customers</th>
<th>Regression Co-efficient Among Household Customers</th>
<th>Regression Co-efficient Among Pooled Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Trust</td>
<td>.174*</td>
<td>.184*</td>
<td>.145</td>
</tr>
<tr>
<td>2</td>
<td>Competence</td>
<td>.275*</td>
<td>.306*</td>
<td>.199*</td>
</tr>
<tr>
<td>3</td>
<td>Commitment</td>
<td>.347*</td>
<td>.466*</td>
<td>.207*</td>
</tr>
<tr>
<td>4</td>
<td>Customer Experience</td>
<td>.176*</td>
<td>.150*</td>
<td>.179*</td>
</tr>
<tr>
<td>5</td>
<td>Relationship Quality</td>
<td>.071</td>
<td>.024</td>
<td>.212*</td>
</tr>
<tr>
<td></td>
<td>Constant</td>
<td>.266</td>
<td>.284</td>
<td>.169</td>
</tr>
<tr>
<td></td>
<td>R²</td>
<td>.831</td>
<td>.851</td>
<td>.819</td>
</tr>
<tr>
<td></td>
<td>Adjusted R²</td>
<td>.826</td>
<td>.843</td>
<td>.808</td>
</tr>
<tr>
<td></td>
<td>F Statistics</td>
<td>179.133</td>
<td>113.276</td>
<td>70.348</td>
</tr>
</tbody>
</table>

**Note**: * Significant at five percent level

**Sources**: Computed

The results show that there is a strong and significant relationship between the CRM dimensions and customer satisfaction. (F = 70.348, probability F statistics < 0.00). A unit increase in the CRM
dimensions of “Commitment” and “Competence” results in an increase in customer satisfaction by 0.347 and 0.275 units respectively, among the business customers on the individual dimensions, commitment was found to be most important dimensions ($\beta = 0.347$) followed by competence ($\beta = 0.275$), customer experience ($\beta = 0.176$) and Trust ($\beta = 0.174$). Among the household customers a unit increase in the CRM dimensions of commitment and competence and trust results in increase in customer satisfaction by 0.466, 0.306 and 0.184 units respectively. The analysis of pooled data reveals a unit increase in CRM dimensions of relationship quality, commitment, competence and customer experience results in an increase in customer satisfaction by 0.212, 0.207, 0.199, 0.179 units respectively. The changes in the perception on household customers explain the change in the perception on customer satisfaction to the higher extent among the business customers. This study also concludes that there is a significant impact on Commitment, Competence, Customer experience and Relationship with customer satisfaction. Therefore, this study concludes that null hypothesis is rejected on the Competence, Commitment, Customer experience and Relationship quality.

**Impact of CRM Dimensions On Customer Loyalty**

The impact of CRM dimensions on the customer loyalty has been measured with the help of multiple regression analysis. The fitted regression model is

$$y = a + b_1 x_1 + b_2 x_2 + b_3 x_3 + b_4 x_4 + b_5 x_5 + e$$

$y$ = Score on Customer Loyalty among the Customer.

$x_1$ = Score on Customer Perception on Trust.

$x_2$ = Score on Customer Perception on Competence.

$x_3$ = Score on Customer Perception on Commitment.

$x_4$ = Score on Customer Perception on Customer Experience.

$x_5$ = Score on Customer Perception on Relationship Quality.

$a$ = Intercept.

$e$ = Error term.

The impact has been measured among the household customer business customer and also for pooled data separately. The results are exhibited in Table 7.

### Table 7. Impact of CRM Dimensions on Customer Loyalty

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>CRM Dimensions</th>
<th>Regression Co-efficient Among</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Business Customers</td>
</tr>
<tr>
<td>1</td>
<td>Trust</td>
<td>.362**</td>
</tr>
<tr>
<td>2</td>
<td>Competence</td>
<td>.300**</td>
</tr>
<tr>
<td>3</td>
<td>Commitment</td>
<td>.274**</td>
</tr>
<tr>
<td>4</td>
<td>Customer Experience</td>
<td>.157</td>
</tr>
<tr>
<td>5</td>
<td>Relationship Quality</td>
<td>.126</td>
</tr>
<tr>
<td></td>
<td>Constant</td>
<td>.039</td>
</tr>
<tr>
<td></td>
<td>$R^2$</td>
<td>.609</td>
</tr>
<tr>
<td></td>
<td>Adjusted $R^2$</td>
<td>.589</td>
</tr>
<tr>
<td></td>
<td>F Statistics</td>
<td>30.848</td>
</tr>
</tbody>
</table>

Sources: Computed
The results revealed that there is a strong and significant relationship between the CRM dimensions and customer loyalty. \( F = 62.469, \text{ probability } F \text{ statistics } < 0.00 \). A unit increase in the CRM dimensions of “Trust” and “Competence” results in an increase in customer loyalty by 0.362 and 0.300 units respectively among the business customers. Among the household customers a unit increase in the CRM dimensions of relationship quality, customer experience results in increase in customer loyalty by 0.218 and 0.196 units respectively. The analysis of pooled data reveals a unit increase in dimensions of Trust, Competence and Commitment results in an increase in customer loyalty by 0.293, 0.285 and 0.216 units respectively. This study also proved that there is a significant impact on Trust, Competence and Commitment dimensions with customer loyalty. The study concludes that there is a significant impact on Trust, Commitment and Competence dimensions of CRM with customer loyalty.

**CONCLUSION**

This study identified five dimensions of CRM in retail banks. These are ‘Trust’, ‘Commitment’, ‘Competence’, ‘Customer Experience’ and ‘Relationship Quality’. Among the identified dimensions ‘Trust’ was regarded as the highly viewed CRM dimensions ‘Commitment’ was least viewed CRM dimensions among the customers. The study revealed that four predictor variables i.e. Relationship quality, commitment, competence, customer experience have significant variables in that order which have a positive impact on customer satisfaction. The significantly associating important profile variables with the importance attached on the CRM dimensions have been identified in case of Age, Educational Qualification. The Regression coefficient of these variables are positive and significant at five percent level of significance which results in the rejection of H2, H3, H4, H5, as the factors, namely Competence, Commitment, Customer Experience, Relationship Quality are statistically significant at five percent level of significance. Furthermore, H6, H7 and H8 were rejected implying that these dimensions of CRM in retail banking have impact on customer loyalty. In order to have satisfied customers, banks have to put more focus on those CRM Banking dimensions that are perceived important by the customers. The ultimate aim of the implementation of CRM in retail banking is to enhance customer loyalty. The study result revealed that the level of customer loyalty is lesser than the customer satisfaction with the retail banks. Therefore the retail bank should design a proper strategy to enhance customer loyalty in the retail banking, since the cost of acquiring new customers is more than retaining the existing customer.

**LIMITATION AND SCOPE FOR FURTHER RESEARCH**

Even though this study has achieved the objectives, the researcher identified certain limitations. This study was conducted in Theni district and, therefore, this finding may not be generalized. The study assumed that there is a linear relationship between the dependent and independent variables. In future, similar study can be conducted with regard to the various CRM practices and strategies and its impact on customer satisfaction. Furthermore, similar study can be conducted to measure the effectiveness of customer relationship management. This study considers only the limited variables. In future more number of variables can be included. Even though the present research focused on the impact of CRM in the banking sector, with customer satisfaction, more specific research could address each of the outcomes like service quality, conflict handling, word of mouth, etc.

**MANAGERIAL IMPLICATIONS**

The study findings have significant implication for policy makers in general and banking sector in particular. The identified five dimensions of CRM should be implemented properly to enhance customer satisfaction and customer loyalty. The five dimensions, namely, Trust, Commitment, Competence, Customer experience, Relationship quality. The identification of these CRM dimensions helps the bank management to design effective CRM strategy that fosters a longer relationship with customers. Out of five identified dimensions and its impact on customer satisfaction, relationship quality, commitment positively influence customer satisfaction with the retail bank help the bank
manager’s to ascertain customer priorities. The findings of the study can also be used for other service sector like Industry, Hotel, Tourism, Hospital, Insurance etc.

REFERENCES


A QUANTITATIVE APPROACH FOR KNOWING PILGRIMS SECOND CHOICE TO VISIT WITHIN DISTRICT RAJOURI

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ABSTRACT
This study is based upon the previous survey conducted during 2012-13 in Shahdra Shrief Shrine Rajouri from the visitors who visited Shahdra Shrief Shrine. This is a exploratory study, which focused to explore visitors perception to visit to places other than Shahda Shrief Rajouri. Accordingly survey is conducted through structured questionnaire from selected sample of 734 visitors. Data is tabulated and analyzed in SPSS using very simple statistical techniques for understanding of general audience.

Keywords: Rajouri; Tourists; Shrine; Planning; Visits; Visitors

INTRODUCTION
Rajouri and along with Poonch can be the favorite tourist destination as moderate summer and winter climate are equal but short distance from the summer and the winter capitals of state provides additional advantages to the region to woo holiday makers who look for respite from scorching heat in summer and bone chilling cold in winter. Unlike other tourist resort in state, Rajouri along with twin District Poonch can developed all round the year rather than seasonal activities. Region has potential for seasonal cum round the year all types of tourism which includes

- Heritage Tourism
- Leisure tourism
- Pilgrimage tourism
- Nature Based Tourism includes (Adventure Tourism and Eco-Tourism)

There are many places in the periphery of Rajouri for tourist to explore. Rajouri is fortunate to have Shrine of Great Saint “Baba Ghulam Ali Shah Badshah” Shahdra Shrief. This Shrine receives millions of visitors round the years throughout the entire State and from few other States. This is the only Shrine in the State which receives such a large chunk of pilgrims after Shrii Mata Vasihno Devi. Besides this Shrine there are number of others shrines and prominent religious places of Hindu Muslim and Sikh, like Sain Gangi RA Darhal, Mangla Devi in Noshera, Panj Peer, Gurdawara Chatti Badshai-Bangla Sahib Rajouri. But this is holiest one in the District. There are few heritage places like Chingus, Dhanidhar Fort and few Mughal Saraies (inns). Tatta Pani in Kalakote- a sulphar mixed stream is much popular among visitors who suffer from joints problem.

OBJECTIVE
This study is devoted to explore tourist among pilgrim visiting to Shahdra Shrief Shrine Rajouri.
HYPOTHESIS

In consonance with aforementioned objectives, the following hypotheses have been laid down.

H_{0}: Pilgrims does not want to go to other places other than Shahdra Shrief

H_{0}: There is no Second Choice for pilgrim to visit around Rajouri

METHODOLOGY

Methodology includes primary data collection. So survey is conducted through structured questionnaire from selected sample of 734 visitors. Data is tabulated and analyzed in SPSS using very simple statistical techniques like frequency, average, and percentage method used for bringing simplicity in understanding.

REVIEW OF LITERATURE

Literature about tourism in Rajouri is not available. During past couple of year research own-self conducted few studied which are also mentioned in the referred in the review. There are studies which states tourism is a good tool for socioeconomic underdeveloped development of the areas like Rajouri.

Jin Huh (2002) undertaken a research to identify the relationship between cultural/heritage destination attributes and the overall satisfaction of tourists who visited a cultural/heritage destination, and analyze the differences in the level of overall satisfaction of tourists’ with respect to demographic and travel behavior characteristics. The study provided a general picture of the relationship between cultural/heritage destination attributes and tourists’ overall satisfaction with the Virginia Historic Triangle and analyzed tourists’ level of satisfaction variations by demographic and travel behavior characteristics. However, the study did not mention the relationship between tourist satisfaction and intention to revisit a destination.

Vijayanand (2012) describes that pilgrimage tourism is playing a major role in socio-economic development. Among other observations, it has shown that, for many countries of the region, the economic significance of pilgrimage tourism is very large when measured against GDP and exports. For many countries in general and the least developed countries in particular, pilgrimage tourism is a sector in which they have comparative, if not competitive, advantages for which they can efficiently convert domestic resources into foreign exchange. If appropriately used, such foreign exchange can purchase the investment goods necessary to support more broadly based economic development policies. The study has demonstrated that the social significance of pilgrimage tourism, measured in terms of employment (especially unskilled labour), is very large. It has also illustrated that appropriate pilgrimage tourism-related interventions can play a role in raising the standard of living and in reducing poverty in local communities.

Report of the Working Group on Tourism (2011) explains that tourism is one of the largest sectors of the service industry In India. It is capable of providing employment to a wide spectrum of job seekers from the unskilled to the specialized, even in the remote parts of the country. Compared to other modern sectors, a higher proportion of tourism benefits (jobs, petty trade opportunities) accrue to women. Hence, growth of the tourism sector is more inclusive than other sectors. Tourism and Hospitality is a diverse industry, being a collection of activities, comprising transportation, and accommodation, eating & drinking establishments, retail shops, entertainment businesses and other hospitality services provided to individuals or groups travelling away from home for leisure, business or other purposes. The broad scope of economic activities involved in tourism enables wide participation in its growth, including the participation of the informal sector. Furthermore, tourism is highly dependent upon natural capital (e.g. forest, wildlife) and culture. These are assets that some of the poor have, even if they have no financial resources. The state of Jammu & Kashmir and the North Eastern Region which has the capacity to host medium size conferences should be promoted as potential destinations for conferences during the summer months.
Malik, S.A. and Abdulla, P. (2013), studied Potential, Prospects and Challenges of Development of Tourism in Rajouri & Poonch which is published in Acme Intellects International Journal of Research in Management, this study is explores unexplored tourism potential of the area. In another attempt Malik, S.A. (2013) undertakes development of difficult Region through Travel, Trade and Tourism: A Case Study of Twin Border Districts Rajouri and Poonch which is also published in International Journal of Marketing, Financial Services & Management Research. This study sets a relation between cross border tourism and economic development in the area. (Malik, S.A. and Abdulla, P. (2013), in one more study entitle “Exploring Heritage of Neglected Region: A case of Rajouri and Poonch”, which was published In International Refereed Journal, entitled in ABHINAV- International Monthly Refereed Journal of Research in Management & Technology explains heritage and cultural wealth of the twin border district Rajouri and Poonch. This study suggested that this heritage and cultural wealth can be utilized and promoted for development of the region.

ANALYSIS AND INTERPRETATION

Pilgrims were asked series of question regarding their experiences and preference to visits other places in District Rajouri. Accordingly their responses were recorded and analyzed here.

Number of visits to Dargah Sain Gangi Sahib (RA) Darhal – This is a Shrine which is located in between way to Darhal from Rajouri. So, while survey there are about 69% respondents who never visited there and 21% respondent said that they once they visited remaining 5%, 1% and 1% visited three or more than three times, three times and two times. In an average out of 734 in an average 32% respondent visited to Dargah Sain Gangi Sahib (RA) Darhal, Rajouri as shown in the Table 1.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never</td>
<td>504</td>
<td>68.7</td>
<td>68.7</td>
<td>68.7</td>
</tr>
<tr>
<td>Once</td>
<td>156</td>
<td>21.3</td>
<td>21.3</td>
<td>89.9</td>
</tr>
<tr>
<td>Twice</td>
<td>26</td>
<td>3.5</td>
<td>3.5</td>
<td>93.5</td>
</tr>
<tr>
<td>Thrice</td>
<td>10</td>
<td>1.4</td>
<td>1.4</td>
<td>94.8</td>
</tr>
<tr>
<td>&gt;3 times</td>
<td>38</td>
<td>5.2</td>
<td>5.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>734</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Average =Once

Figure 1a. Number of visits to Dargah Sain Gangi Sahib (RA) Darhal

Planning to visit to Dargah Sain Gangi Sahib (RA) Darhal - 38% respondents said that they may visit to this spot but they said that they were not sure. 53% respondents respond that they are planning to visit this place and 8% respondent denied that they won’t visit to this place.
Table 2. Planning to visit to Dargah Sain Gangi Sahib (RA) Darhal

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perhaps</td>
<td>284</td>
<td>38.7</td>
<td>38.7</td>
<td>38.7</td>
</tr>
<tr>
<td>Yes</td>
<td>389</td>
<td>53.0</td>
<td>53.0</td>
<td>91.7</td>
</tr>
<tr>
<td>No</td>
<td>61</td>
<td>8.3</td>
<td>8.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>734</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Average = Yes

Figure 2a: Planning to visit to Dargah Sain Gangi Sahib (RA)

Number of visits to Chingus’- Chingus is a tomb near Rajouri where intestine of Mughal Emperor Janghir was buried under by Noor Jahan, when exterior died in mysterious circumstances while going to Lahore from Kashmir via Mughal Road. During Survey, about 68% respondents said that they never visited there 21%, 3%, 1% and 5% respondents said that they had visited one time, two times, three times and more than three times to this tomb as shown in the Table 3, Out of 734 respondents in an average 32% respondents had visited to this.

Table 3. Number of visits to Chingus

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Never</td>
<td>503</td>
<td>68.5</td>
<td>68.5</td>
<td>68.5</td>
</tr>
<tr>
<td>Once</td>
<td>155</td>
<td>21.1</td>
<td>21.1</td>
<td>89.6</td>
</tr>
<tr>
<td>Twice</td>
<td>23</td>
<td>3.1</td>
<td>3.1</td>
<td>92.8</td>
</tr>
<tr>
<td>Thrice</td>
<td>11</td>
<td>1.5</td>
<td>1.5</td>
<td>94.3</td>
</tr>
<tr>
<td>&gt;3 times</td>
<td>42</td>
<td>5.7</td>
<td>5.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>734</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Average = 1

Figure 3a: Number of visits to Chingus
Planning visits to Chingus - As for as planning to visit Chingus 55% respondent said that they wanted to go there. 38% were in dilemma and nearly 7% won’t visit to this spot.

### Table 4. Planning visits to Chingus

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perhaps</td>
<td>280</td>
<td>38.1</td>
<td>38.1</td>
<td>38.1</td>
</tr>
<tr>
<td>Yes</td>
<td>404</td>
<td>55.0</td>
<td>55.0</td>
<td>93.2</td>
</tr>
<tr>
<td>No</td>
<td>50</td>
<td>6.8</td>
<td>6.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>734</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Average = Yes

Number of visits to Mangla Mata, Noshera – Mangla Devi Shrine is located in the interior of Noshera in District Rajouri. This is also a popular shrine among Hindu pilgrims and excursionists. Regarding this Shrine, Out of total of 734 respondent 87% did not visit this Shrine. 11%, 3% 0.7% and 1% are one, two, three and more than three time visitors. Thus, this Table 5 shows that only 13% people visited this place.

### Table 5. Number of visits to Mangla Mata, Noshera

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never</td>
<td>621</td>
<td>84.6</td>
<td>84.6</td>
<td>84.6</td>
</tr>
<tr>
<td>Once</td>
<td>81</td>
<td>11.0</td>
<td>11.0</td>
<td>95.6</td>
</tr>
<tr>
<td>Twice</td>
<td>19</td>
<td>2.6</td>
<td>2.6</td>
<td>98.2</td>
</tr>
<tr>
<td>Thrice</td>
<td>5</td>
<td>.7</td>
<td>.7</td>
<td>98.9</td>
</tr>
<tr>
<td>&gt;3 times</td>
<td>8</td>
<td>1.1</td>
<td>1.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>734</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Average = Never

Planning of visit to Mangla Mata, Noshera - Nearly 42% respondents said that they may visit to this Shrine, 16% refuse to visit and remaining 42% were planning to go this Shrine, which is located within Rajouri District.

### Table 6. Planning of visit to Mangla Mata, Noshera

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perhaps</td>
<td>306</td>
<td>41.7</td>
<td>41.7</td>
<td>41.7</td>
</tr>
<tr>
<td>Yes</td>
<td>311</td>
<td>42.4</td>
<td>42.4</td>
<td>84.1</td>
</tr>
<tr>
<td>No</td>
<td>117</td>
<td>15.9</td>
<td>15.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>734</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Average = Yes

**Figure 6a.** Planning of visit to Mangla Mata, Noshera
FINDINGS AND CONCLUSION

In average almost all visitors once had been visited to these sites and they also express their desire to visit these places in future. It also had been observed that a large chunk of visitors would like to Tatta Pani (A hot water Stream) in tehsil Kalakote in Rajouri. Therefore concerning tourism authorities with the collaboration of district administration and State Government should developed infrastructure, connectivity and attraction around the periphery of Rajouri for the comfort of tourist. So, that large numbers of tourist would switch to these places for more economic growth of area and socioeconomic benefit of the people residing.

REFERENCES


ABSTRACT

E-banking is a borderless entity permitting anytime, anywhere and anyhow banking. It reaps benefit for both banks and its customers. E-Banking is a system that enables financial institution customers, individuals, or businesses, to access account, transacts business or obtains information on financial products and services through internet. This study investigated that, the factors influence on the formation of attitude of customers towards internet banking and to study the most preferred E-banking services used by customers. The study reveals that demographic factors influence to form the attitude of customers. The degree of satisfaction varies from person to person. Peoples are satisfied with the various facilities provided by the bank as it makes their lives more convenient and comfortable.

Keywords: E-Banking; Banks; Demographic Factors; Internet

INTRODUCTION

Today’s banking takes place increasingly online, financial institutions deliver their services via various electronic channels and the importance of a traditional branch network have declined. The tremendous advances in technology and the aggressive infusion of information technology had brought in a paradigm shift in banking operations. Technology has become an increasingly vital element in the competitive landscape of the financial service industry. The recent developments have created a totally new service concept and service environment. Technology has changed the very nature of selling and buying financial services. One of the most fundamental changes in the banking industry has been the consumer movement from traditional branch banking to more stand-alone banking. In other words, a move towards using electronic delivery channels such as the Internet, telephone and mobile phones in banking. The banking industry has undergone a major change due to the adoption of e-banking.

Nowadays the banking industry around the world has used interactive advertising as a major distribution channel in order to sell products, provide services, contact customers and create a customer relationship. E-banking services may prove to be the automated teller machine (ATM). Like the ATM, E-banking services gives users 24/7 access to their account, but it goes a step further by allowing the customers to conduct more complicated transactions like Bill payment. Internet banking services offer easy transaction via internet with more sophisticated systems such as applying for loans, downloading information, trading stocks and checking slips.

E-banking reaps benefits for both banks and its customers. From the bank’s perspective E-banking enabled banks to lower operational costs through the reduction of physical facilities and staffing resources required, reduced waiting times in branches resulting in potential in sales performance and a larger global reach. From the customers’ perspective, e-banking allows customers to perform a wide range of banking transactions electronically via the bank’s website and anywhere. In addition,
customers no longer are confined to the opening of hours of banks, travel and waiting times are no longer necessary, and access of information regarding banking services are now easily available.

**E-Banking**

E-banking refers to electronic banking. It is like e-business in banking industry. It is also called Virtual banking or online banking. E-banking systems, which provide electronic delivery of banking products to customers, include automated teller machine (ATM) transactions, online account opening, internet banking transactions and telephone banking.

**E-banking Services**

![Diagram of E-Banking services](image)

- **ATM** - The most widely used e-banking instrument is the Automated Teller Machine (ATM) card. The ATM card is the best and foremost innovative product in the modern banking system. ATMs are electronic machines, which are operated by a customer himself to deposit or to withdraw cash from bank.

- **Tele Banking** - It is a service provided by financial institution, which allows its customers to perform some banking transactions over the telephone. It is a facility provided by the bank to its customers forgetting information through IVRS (Interactive Voice Response System) about customers. Account using telephone with key pad facility and/or for registering for any services as may be offered by the bank under telebanking facility.

- **Internet Banking** - It also termed as E-Banking. It is where any user with a personal computer and a browser can get connected to his banks website to perform any of the virtual banking functions.

- **Mobile Banking** - It also known as M-Banking. It is a term used for performing banking transactions through mobile devices such as mobile phone or a Personal Digital Assistant.

- **Electronic Fund Transfer** - The Reserve Bank of India introduced an electronic funds system called National Electronic Funds Transfer System to facilitate an efficient, secure, economical, reliable and expeditious system of funds transfer and clearing in the banking sector throughout India. It is a system under which computers and electronic technology is used as the substitute for cheque and other paper transactions. Banks provide variety of services to the customers, but these services are utilized by the customers only when they are having a positive approach and awareness of these services. The present study entitled aims to study the customers’ attitude towards the E-banking services.

**LITERATURE REVIEW**

RA Gbadeyan, OO Akinyosoye “Customers preference for E-banking services: A case study of selected bank in sierraleone” vol 1 no 4 [108-116] July 2011, this study suggested that various measure should be placed to ensure more security such as installation of encrypted software, verification system of customer’s identification cards, likethat and this study shown the various benefits accruing to internet banking and that many people are increasingly using this service.

S Arun kumar “A study on attitude and intention towards internet banking with reference to Malaysian consumers in klangvally Region” vol 6 no 1, this study find out that perceived enjoyment &considered as the major factors for attitude and intention.
Divya singhal V. Padmanabhant "A study on customer perception towards internet banking: Identifying major contributing factors" vol v no 1 Dec 2008 they find out that factors like convenience way of operating transaction, Real time access to information saving transaction lost which influence customer to adopt E-banking services.

A number of studies have been done at national and international level in these areas. But a study on customer attitude towards the use of e-banking services in Kerala is not done. Hence this study is taken.

RESEARCH PROBLEM

Nowadays internet has become a major part of people’s life style, many organizations and business have been using the internet to communicate and deliver their products and services. This paper provide an insight to investigate the factors that influence on the formation of attitude of customers towards internet banking, to study the most preferred E-banking services used by customers and also to measure the satisfaction level of customers in E-banking services.

OBJECTIVES OF THE STUDY

1. To investigate the factors that influence on the formation of attitude of customers towards E-banking services
2. To find out the most preferred E-banking services used by customers
3. To measure the satisfaction level of customers in E-banking services

METHODOLOGY

The study was conducted in a descriptive style using both secondary and primary data. Secondary data collected from different published sources. Primary data collected from customers of public and private sector banks in Malappuram Dist with the help of interview schedule. Stratified sampling was used to select the sample respondents. For these, customers are divided into three young, adult, and old age groups. From these, samples are selected on quota sampling method. Percentages, ratios are used for analysis.

ANALYSIS AND DISCUSSION

According to this study, demographic factors like gender, age group, qualification and occupation which are highly influenced the customers for using e-banking services. Table 1 present the demographic characteristics of sample respondents. Among the respondents, 80 are young, 80 are adult and 40 are old age group. Highest category of using e-banking service was young generation. Majority of the respondents are graduates and most of them are working in private sector.

Table 1. Sample respondents on the basis of Demographic factors

<table>
<thead>
<tr>
<th>Demographic Variables</th>
<th>Categories</th>
<th>No. of Respondents</th>
<th>Usage of E-banking services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>100</td>
<td>96</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>100</td>
<td>84</td>
</tr>
<tr>
<td>Age Group</td>
<td>Young</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>Adult</td>
<td>80</td>
<td>76</td>
</tr>
<tr>
<td></td>
<td>Old</td>
<td>40</td>
<td>24</td>
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<tr>
<td>Qualification</td>
<td>Secondary</td>
<td>32</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>26</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Graduates</td>
<td>88</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td>P.G</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>PhD</td>
<td>22</td>
<td>22</td>
</tr>
</tbody>
</table>
Table 1. Sample respondents on the basis of Demographic factors (Contd….)

<table>
<thead>
<tr>
<th>Demographic Variables</th>
<th>Categories</th>
<th>No. of Respondents</th>
<th>Usage of E-banking services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupation</td>
<td>Govt.</td>
<td>52</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>Private sector</td>
<td>86</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td>Self employed</td>
<td>42</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>House wife</td>
<td>20</td>
<td>8</td>
</tr>
</tbody>
</table>

Out of sample respondents, it was found that 90% respondents were using e-banking services offered by the banks. The remaining 10% of the respondents preferred conventional banking or face to face banking.

![Figure 2. Users of E-banking](image)

Figure 2. Users of E-banking

This study reveals that, 38% of the respondents are using E-banking services because of its convenience. Easy of use (25%) is another reason for using e-banking. Other reasons like accessibility, low service charge, variety of features which also influence the customers to use these services.

![Figure 3. Reasons for using E-banking services](image)

Figure 3. Reasons for using E-banking services

Various E-banking services are offered by the banks to the customers. During the study it was learned that customers simultaneously enjoy more than one E-banking services provided by the banks. Table 2 shows that the E-banking services preferred by the sample respondents'. From the respondents 98% of respondents are preferred ATM services. Only 2% of respondents are used E-banking services for EFT and Tele banking.

Table 2. Most preferred E-banking services used by sample respondents

<table>
<thead>
<tr>
<th>E-banking Services</th>
<th>Percentage of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATM services</td>
<td>98</td>
</tr>
<tr>
<td>Credit cards</td>
<td>10</td>
</tr>
</tbody>
</table>
Table 2. Most preferred E-banking services used by sample respondents

<table>
<thead>
<tr>
<th>E-banking Services</th>
<th>Percentage of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tele banking</td>
<td>2</td>
</tr>
<tr>
<td>Internet banking</td>
<td>42</td>
</tr>
<tr>
<td>EFT</td>
<td>2</td>
</tr>
<tr>
<td>Mobile banking</td>
<td>6</td>
</tr>
</tbody>
</table>

E-banking services are used for different purposes. According to this study, most of the respondents are used E-banking services for checking the account balances. Others are used for online payment, paying utility bills, transferring money online. Only 2% respondents are used e banking services for investment purpose.

Figure 4. Purpose to use E-banking services

Customers are getting benefits like fund transfer, saves a lot of time, check balances, easier to use, virtual banking. According to this study E-banking service is highly useful for checking the account balances and it saves time of customers.

Table 3. Benefits are getting from E-banking services

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Percentage of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saves a lot of time</td>
<td>28</td>
</tr>
<tr>
<td>Fund transfer</td>
<td>10</td>
</tr>
<tr>
<td>Check balances</td>
<td>37</td>
</tr>
<tr>
<td>Easier to use</td>
<td>18</td>
</tr>
<tr>
<td>Virtual Banking</td>
<td>7</td>
</tr>
</tbody>
</table>

From the study understood that, 98% of respondents are satisfied with E-banking services. Only 2% of respondents are not satisfied in E-banking services.

Figure 5. Satisfaction level of customers
MAJOR FINDINGS

- Demographic factors like gender, age group, qualification, occupation have greater impact on formation of attitude of customers towards E-Banking. Male have more favorable attitude than female. Younger age group is used E-Banking services more than the old and adult group. Qualification and occupation also influence.

- The result found that 90% of respondents are using E-banking services are offered by banks.

- 10% of respondents are not using E-banking services. Because lack of awareness and sufficient knowledge.

- Most of the respondents are using E-banking service because of its convenience (38%). Other reasons like accessibility, low service charge, variety of features which also influence the customers to use these services.

- The result found that ATM services (98%) are mostly preferred by sample respondents, internet banking (42%) also preferred by some respondents.

- Most of the respondents are used E-banking services for checking the account balances. Others are used for online payment, paying utility bills, transferring money online. Only 2% respondents are used e banking services for investment purpose.

- Most of the respondents are satisfied with security of E-banking services while some showed neutral.

- 98% of respondents are satisfied with E-banking services. Only 2% of respondents are not satisfied in E-banking services.

SUGGESTION AND CONCLUSION

Banking have come a long way from the time of ledger cards and another manual filing system. Today, banks have electronic system to handle the daily task of information, retrieval, storage and processing. It provides various facilities to its customers. Demographic factors influence to form the attitude of customers. The degree of satisfaction varies from person to person. Peoples are satisfied with the various facilities provided by the bank as it makes their lives more convenient and comfortable.

In order to make E-Banking more popular, bank must separate their customers based on demographic priority (i.e., age, gender, occupation etc) and customize E-Banking services as per the needs and requirements. Customers should be more aware and have sufficient knowledge while using E-banking. So that bank should provide experts to train common public for using E-banking services. It will help to customers to enjoy E-banking services. The banking professional should create advertisement, targeting to people to use E-banking services.

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Role of Forest and Logging Sector in J and K State Economy (1981-2011)

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Email: sbilaleco99@gmail.com

Abstract
The Forest & Logging Sector plays a pivotal role in the growth and development of economy. But, in case of J&K State Economy its role is insignificant. The percentage share of this sub-sector to NSDP at constant prices decreased from 8.95 percent in 1980-81 to 2.11 percent in 1990-91, but it bounced back to 2.63 percent in 2000-01 to 3.99 percent in 2010-11. In terms of percentage contribution to NSDP at constant prices it still has the 2nd rank in the primary sector.

Keywords: Forest Sector; NSDP; Linking Factor; Compound Growth Rates; Per capita Income

Introduction
Forests are an important natural resource of J&K state. Forests have a multi-dimensional role to play. They provide not only timber, fuel wood, pulpwood, and fiber grass and non-wood forest produce and support industrial and commercial activities but also maintain the ecological balance and life support systems essential for food production, health and all-round development of mankind. Forests have direct bearing on environment as trees and vegetation is the basic requirements for a clean environment, healthy living and sustainable agricultural production. They help control floods and thus they protect the soil against erosion. They are the natural habitat for bio-diversity and repository of genetic wealth. Forests thus play an important role in environmental and economic sustainability. Jammu and Kashmir has a total forest cover of 20230 Sq. Kms (20.23 lakh hectares) accounting for 19.95% of the total Geographical area of 101387 Sq. Kms on this side of line of control. All India figures indicate a percentage of 24.47% geographical area under forests. Out of the total forest area of 20230 sq. kms, the area under reserved forest is 2551 Sq. Kms., protected forest is 17643 Sq. Kms and the rest 36 Sq. Kms is unclassified.

Out of the total forest area, 12066 Sq. Kms are in Jammu Region, followed by Kashmir Region with 8128 Sq. Kms and Ladakh Region with only 36 Sq. Kms. Kashmir Region has 40.17%, Jammu Region has 59.64%, while Ladakh Region has 0.17% area under forest cover. The position of the total Geographical area under forest is as under:

<table>
<thead>
<tr>
<th>Division</th>
<th>Geographical Area (Km²)</th>
<th>Forest Area (Km²)</th>
<th>Forest Area (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kashmir</td>
<td>15948.00</td>
<td>8128.00</td>
<td>50.97</td>
</tr>
<tr>
<td>Jammu</td>
<td>26293.00</td>
<td>12066.00</td>
<td>45.89</td>
</tr>
<tr>
<td>Ladakh</td>
<td>59146.00</td>
<td>36.00</td>
<td>0.06</td>
</tr>
<tr>
<td>Area under illegal occupation</td>
<td>120849.00</td>
<td>20230.00</td>
<td>19.95</td>
</tr>
<tr>
<td>Total</td>
<td>222236.00(101387)</td>
<td>20230.00</td>
<td></td>
</tr>
</tbody>
</table>

Note: Figures in parentheses are the present geographical area (in 2010-11) of the state.
Source: Compiled from Handbook of Forest Statistics 2011 J&K Government, Forest Department.

Excluding Leh and Kargil districts, forests cover 48 percent of the total geographical area of the State which is more than the national average of 24.47 percent. It is, however, less than the norm of National Forest Policy, 1988, which provides forest cover of one-third of total geographical area (20% for plains and 66% for hilly areas). Per capita forest area accounts to 0.17 hectares for Jammu and Kashmir State as against 0.07 hectares at all India level.

OBJECTIVES

The objectives of Forestry sector are as:

1. To analyze the changes in composition of output in the forest & Logging sector of the state economy.
2. To analyze the changes in volume of output in the forest & Logging sector of the state economy.
3. To identify the determinants of and obstacles to the growth process of forest & Logging sector in the state economy.

DATA AND METHODOLOGY

The study is primarily based on the secondary data that is obtained from the following sources:

- Economic census, Govt. of India, various issues.
- Digest of statistics; Directorate of Economics and Statistics; Govt. of J&K, various issues.
- Economic Survey; Directorate of Economics and Statistics; Govt. of J&K, various issues.
- Reports, journals, magazines and newspapers.

The following appropriate statistical tools have been used to analyze the data:

1) Linking Factor Method: It is a method through which base year is changed or rebase is formed. It is simply done by using the following two formulas:

   a) Deflator = (Factor) × (Out-put level of the corresponding year)

   Whereas; Factor = (Old Base) ÷ (New Base)

   b) Inflator = (Factor) × (Out-put level of the corresponding year)

   Whereas; Factor = (New Base) ÷ (Old Base)

2) Compound Growth Rate: the compound growth rate (cgr) has been calculated with the help of exponential function which is as:

   Exponential function $y = ab^x$

   The compound growth rate = $(b-1)*100$

Composition of Forest Sector to State Economy (1981-2011)

The absolute contribution of forest & logging sub-sector (at NSDP constant prices) decreased from Rs.339.84 crores in 1980-81 to 104.14 crores in 1990-91, but it bounced back to Rs.197.73 crores in 2000-01 and to Rs. 694.05 crores in 2010-11 (refer to Table1).

The percentage share of this sub-sector to NSDP at constant prices decreased from 8.95 percent in 1980-81 to 2.11 percent in 1990-91, but it bounced back to 2.63 percent in 2000-01 to 3.99 percent in 2010-11. In terms of percentage contribution to NSDP at constant prices it still has the 2nd rank in the primary sector (refer to Table 1.1).
The percentage share of this sub-sector to the primary sector has decreased from 18.9 percent in 1980-81 to 5.5 percent in 1990-91 which increased back to 8.07 percent in 2000-01 and finally mild increment has taken place in it by 0.10% points (18.17 percent) in 2010-11 (refer to Table 2).

The per capita income contribution of this sub-sector was Rs. 575 in 1980-81 and it declined to Rs. 137 in 1990-91 which increased back to Rs.197 in 2000-01 and finally it reached to Rs. 595 in 2010-11 (refer to Table 3).

**Table 1.1.** Percentage Contribution Forestry & Logging Sector NSDP (1981 – 2011)

<table>
<thead>
<tr>
<th>Sector</th>
<th>NSDP (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1980-81</td>
</tr>
<tr>
<td></td>
<td>Cn. prices</td>
</tr>
<tr>
<td>Forestry &amp; Logging Sector</td>
<td>8.95</td>
</tr>
<tr>
<td>Primary Sector</td>
<td>47.37</td>
</tr>
</tbody>
</table>

**Source:** based on Table 1

**Fig. 1:** Percentage Contribution Forestry & Logging Sector NSDP (1981 – 2011)

**Volume of Forest Sector to State Economy (1981-2011)**

The decadal compound growth rate of this sub-sector was 2.66 percent in the first decade of the reference period. It increased to 9.20 percent in the second decade and finally it decreased to 4.84 percent in 2010-11 which is the 2nd lowest decadal growth rate in the sub-sectors of the primary sector of the economy during the reference period (refer to Table 1.2).

The growth rate for the entire period (at NSDP constant prices) is 6.38 percent which is higher than the growth rate of primary sector as well as the growth rate of the state economy (refer to Table 4).

**Table 1.2.** Compound Growth Rates of Forestry & Logging Sector (1981-2011)

<table>
<thead>
<tr>
<th>Sector</th>
<th>NSDP (Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Constant prices</td>
</tr>
<tr>
<td>Forestry &amp; Logging Sector</td>
<td>-10.95</td>
</tr>
<tr>
<td>Primary Sector</td>
<td>-0.33</td>
</tr>
<tr>
<td>NSDP</td>
<td>2.16</td>
</tr>
</tbody>
</table>

**Source:** based on Table 1
CONCLUSION

1. The revenue from forest sector can be increased to the greater extent by way of raising plantation on waste lands.

2. The Forest department should take steps to raise economic plantations and quick growing species.

3. The Government should check the illegal removal of forest produce through Forest Protection Force. The Forest Protection Force should also ascertain duties to protect the forests from fires, stops poaching and illegal trading of wild life.

4. To increase the productivity of forests to meet the national and state needs.

5. To increase the Natural regeneration.

6. To bring more areas under Protected Area Network.

7. To generate income for the state.

8. To develop medicinal and herbal industry of the state.

9. To promote Eco-Tourism.

10. To generate sufficient opportunities for rural livelihoods.

11. To promote People’s Participation.

12. Institutional strengthening and capacity building.

13. To strengthen Research, Education and Training.

14. To develop pastures and grazing lands.

15. To provide alternate source of energy to reduce pressure on the forests.

APPENDIX

Table 2. Contribution of Forestry & Logging Sector to NSDP at current and constant prices

<table>
<thead>
<tr>
<th></th>
<th>1980-81</th>
<th>1990-91</th>
<th>2000-01</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cn. prices</td>
<td>Ct. prices</td>
<td>Cn. prices</td>
<td>Ct. prices</td>
</tr>
<tr>
<td>Forestry &amp; Logging Sector</td>
<td>339.84</td>
<td>94.02</td>
<td>104.14</td>
<td>202.57</td>
</tr>
<tr>
<td>Primary Sector</td>
<td>1798.04</td>
<td>497.44</td>
<td>1890.37</td>
<td>1258.89</td>
</tr>
</tbody>
</table>

Sources:
Compiled from:
5. Note: Constant prices at 1993-94 which has been calculated by Linking Factor Method.
   i) Cn. = Constant
   ii) Ct. = Current

Table 3. Percentage Contribution of Forestry & Logging Sector to Primary Sector

<table>
<thead>
<tr>
<th></th>
<th>1980-81</th>
<th>1990-91</th>
<th>2000-01</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forestry &amp; Logging</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sector</td>
<td>Cn. prices</td>
<td>Ct. prices</td>
<td>Cn. prices</td>
<td>Ct. prices</td>
</tr>
<tr>
<td></td>
<td>18.9</td>
<td>18.9</td>
<td>5.5</td>
<td>16.09</td>
</tr>
<tr>
<td>Primary Sector</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>(1+2+3+4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: based on Table 1

Table 4. Per Capita income Contribution of Primary and its sub-Sectors to NSDP

<table>
<thead>
<tr>
<th></th>
<th>1980-81</th>
<th>1990-91</th>
<th>2000-01</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cn. prices</td>
<td>Ct. prices</td>
<td>Cn. prices</td>
<td>Ct. prices</td>
</tr>
<tr>
<td>Agriculture including</td>
<td>2416</td>
<td>668</td>
<td>2312</td>
<td>1362</td>
</tr>
<tr>
<td>live stock Sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forestry &amp; Logging</td>
<td>575</td>
<td>159</td>
<td>137</td>
<td>266</td>
</tr>
<tr>
<td>Sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fishing Sector</td>
<td>29</td>
<td>8</td>
<td>30</td>
<td>22</td>
</tr>
<tr>
<td>Mining &amp; Quarrying</td>
<td>23</td>
<td>6</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary Sector</td>
<td>3042</td>
<td>842</td>
<td>2480</td>
<td>1652</td>
</tr>
<tr>
<td>(1+2+3+4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Based on Table 1
Table 5. Compound Growth Rate of Forestry & Logging Sector (1981-2011)

<table>
<thead>
<tr>
<th>Sector</th>
<th>NSDP(percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1980-81 to 2010-11</td>
</tr>
<tr>
<td></td>
<td>Constant prices</td>
</tr>
<tr>
<td>Forestry &amp; Logging Sector</td>
<td>3.97</td>
</tr>
<tr>
<td>Primary Sector(1+2+3+4)</td>
<td>3.02</td>
</tr>
<tr>
<td>NSDP</td>
<td>5.07</td>
</tr>
</tbody>
</table>

Source: Based on Table 1

REFERENCES


Journal & Reports

10. Economic census, Govt. of India, various issues.
15. 8th Agriculture Census J & K State, 2005-06.
17. Ministry of Agriculture, Government of India, New Delhi

In addition to the above sources relevant information has been collected from the following departments:

PROFITABILITY PERFORMANCE: A STUDY OF SMALL SCALE INDUSTRIES IN BANGALORE RURAL DISTRICT OF KARNATAKA

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Nellore District, Andhra Pradesh, India
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ABSTRACT
Small scale industries play a vital role in India’s economy through Employment Generation, Optimization of Capital, Balanced Regional Development, and Mobilization of local Resources, Foreign Exchange Earnings, and Feeder to Large Industries, Consumer Surplus Social Advantage Seeded of Entrepreneurship. Small scale industries function as ancillaries to large scale industries. They produce parts, components and accessories required by large scale industries. The small scale industries like handicrafts have occupied a prominent place in our country. This paper consists of Category-wise principal characteristics and structural ratios of sample units of small scale industries in connection with investment, production, employment and profitability in Bangalore Rural District of Karnataka. This paper also highlights Activity-wise profitability and overall profitability of sample small scale industrial units.

Keywords: SSIs; Bangalore Rural District; Profitability

INTRODUCTION
In the new millennium, the Indian economy continues to be in the throes of momentous change: the progressive reduction of barriers to capital flows and international trade, the spread of market-based economics in key sectors and the exciting possibilities of beneficial change brought by transformative technologies. These changes have provided great opportunities for the Indian corporate sector, and it is poised to brave the challenges in the new competitive world. The global arena demands a radical shift in business outlook that transcends a simple reliance on exports as an indicator of an organization’s international credentials. Small scale industries play a vital role in India’s economy through Employment Generation, Optimization of Capital, Balanced Regional Development, and Mobilization of local Resources, Foreign Exchange Earnings, and Feeder to Large Industries, Consumer Surplus Social Advantage Seeded of Entrepreneurship. Small scale industries function as ancillaries to large scale industries. They produce parts, components and accessories required by large scale industries. The small scale industries like handicrafts have occupied a prominent place in our country. Small scale industries are small by name; they play a significant role in the process of economic growth in developing countries like India. These are looked upon as potent instruments of economic decentralization, employment generation and dispersal of industries over different regions. Small scale industries function as ancillaries to large scale industries. They produce parts, components and
accessories required by large scale industries. The small scale industries like handicrafts have occupied a prominent place in our country. Such small scale industries not only generate more employment opportunities, they are also instrumental in removing imbalance in the distribution of wealth amongst the people particularly the rural mass. The employment potentiality of small scale industries is very significant for a country like India where unemployment, under employment and seasonal employment are common. The SSI sector covers wide range of enterprises with diverse characteristics. There are tiny or micro enterprises on one hand and there are sophisticated, modern small scale units on the other. From the points given above, we can conclude that small scale industries which have been the backbone of the economy of our country need greater emphasis.

REVIEW OF LITERATURE

According to Vasant Desai (1983)\(^1\) inspite of phenomenal growth of small scale industries in the post independence period, the Government has not succeeded in a big way ensuring the country of potential entrepreneurs from varied social backgrounds into the manufacturing line. In view of their large employment potential in rural areas, the new industrial policy of 1978 has assigned an important role to the development of village and cottage industries in those areas. To achieve this objective, the focal point of development has been shifted from cities to small towns.

Srinivasan (1988)\(^2\) has article illustrate the ascending influence of the small scale industrial sector in the country’s overall industrial production, employment generation and foreign exchange savings. The growth of this sector has been lower due to many factors, the foremost among them being lack of finance. He recommended that a series of steps to put this vital sector on the proper growth path.

Pon Murugan (1996)\(^3\) in his study titled, ‘Industrial Estates in Tirunelveli Region-An empirical study of their impact on the growth of Small Scale Industrial units’ analysed the impact of industrial estates on the growth of small scale industrial units and the factors responsible for the growth of the small scale industrial units located in the industrial estates.

Neelam Jain, (2004)\(^4\) in his article, ‘Small Scale Industries in the New Millennium’ reveals that creation of employment opportunities is a matter of great relevance to India where unemployment and underemployment are rampant on a massive scale added to this in the shortage of capital. The inability of large scale sector to provide employment is now to go not for the maintenance of existence of small scale and cottage industries only but also to develop this sector.

Sivasankar.P.R., and K. Ekambaram (2006)\(^5\) in his article ‘Role of Public Sector Banks in the development of small scale sector in India’ reveals that flow of timely and adequate credit accelerates the development of industry. Banks are the major sources of finance to small-scale industries and banks provide both short term working capital and long term capital for plant and machinery.

Nirankar Srivastav and Rickey A.J.Syngkon (2007)\(^6\), according to them, it is evident that the number of SSIs are growing in the state in a significant manner. Meghalaya’s economy has begun to join the process, which is known as preliminary stage of ‘Industrialization’. At this stage, it is not possible to take full advantage of technology and economies of scale by the existing SSIs and the economy at large. As a result in the present form this sector is not in a position to contribute to the growth of state economy in a big way. It then appears that unexploited sources, scale of economies/positive externalities, technology applications and research and development could become the key factors for the further growth of the economy of Meghalaya. It is recommended to develop additional industries in the state that lead to the full exploitation of economies of scale and technical advances to lead the state to a solid, stable and sure progress.

OBJECTIVES OF THE STUDY

1. To examine the performance of small scale industries in Bangalore Rural District.
2. To study the labor productivity of small scale industries in Bangalore Rural District.
3. To assess the overall profitability of select SSI units in Bangalore Rural District.
METHODOLOGY

The empirical data have been collected for analyzing the profitability performance of small scale industries in Bangalore Rural District of Karnataka by conducting a survey by using an interview schedule. The secondary data are used to analyze the growth of small scale industries at all India level as well as at state level. The primary data are used mainly for evaluating the profitability performance of small scale industries in Bangalore Rural District of Karnataka. The researcher conducted an interview with 59 sample units in Bangalore Rural District of small scale industrial entrepreneurs. Secondary data were collected from published and unpublished sources. They are collected from books, journals, reports and published documents of District Industries Centre, Department of Statistics, Government of Karnataka, Ministry of Small Scale Industries, Government of India, New Delhi.

Sampling

The main objective of the study is to evaluate the profitability performance of Small Scale Industries in Bangalore Rural district of Karnataka. For this purpose the SSI units registered with DIC in Bangalore Rural District during 1997-98 are listed out as per the industrial category. From this list, a sample of 5 per cent of units is drawn covering all the categories of industrial units using Simple Random Sampling without Replacement (SRSWOR).

Tools for Analysis

The statistical tools like simple percentages, averages, Linear Growth Rates, and ratio analysis are used to evaluate the production, productivity and profitability of the selected sample units in Bangalore Rural District Karnataka.

DATA ANALYSIS

Small Scale Industries may sound small but actually plays a very important part in the overall growth of an economy. Small Scale Industries have been empirically proved all over the world that these are generating national income in more efficient and equitable manner among the various participants in the process of good production than their medium or larger counterparts. This paper provides the analysis of the profitability performance of sample small-scale industries in Bangalore Rural District of Karnataka in different angles.

Capital Productivity and Labour Productivity

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment (K) (Rs. in lakh)</th>
<th>Production (O) (Rs. in lakh)</th>
<th>Employment (L)</th>
<th>K/L</th>
<th>O/L</th>
<th>L/O</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>1819.66</td>
<td>532</td>
<td>274</td>
<td>6.641</td>
<td>1.941</td>
<td>0.515</td>
</tr>
<tr>
<td>1998-99</td>
<td>1942.56</td>
<td>595</td>
<td>406</td>
<td>4.784</td>
<td>1.465</td>
<td>0.682</td>
</tr>
<tr>
<td>1999-2k</td>
<td>2007.81</td>
<td>610</td>
<td>548</td>
<td>3.663</td>
<td>1.113</td>
<td>0.898</td>
</tr>
<tr>
<td>2000-01</td>
<td>2199.62</td>
<td>625</td>
<td>599</td>
<td>3.672</td>
<td>1.043</td>
<td>0.958</td>
</tr>
<tr>
<td>2001-02</td>
<td>2328.86</td>
<td>795</td>
<td>767</td>
<td>3.036</td>
<td>1.036</td>
<td>0.964</td>
</tr>
<tr>
<td>2002-03</td>
<td>2239.00</td>
<td>972</td>
<td>866</td>
<td>2.585</td>
<td>1.122</td>
<td>0.890</td>
</tr>
<tr>
<td>2003-04</td>
<td>2504.77</td>
<td>1050</td>
<td>990</td>
<td>2.530</td>
<td>1.060</td>
<td>0.942</td>
</tr>
<tr>
<td>2004-05</td>
<td>2649.30</td>
<td>1195</td>
<td>1125</td>
<td>2.354</td>
<td>1.062</td>
<td>0.941</td>
</tr>
<tr>
<td>2005-06</td>
<td>2990.57</td>
<td>1385</td>
<td>1350</td>
<td>2.215</td>
<td>1.025</td>
<td>0.974</td>
</tr>
<tr>
<td>2006-07</td>
<td>3109.68</td>
<td>1452</td>
<td>1425</td>
<td>2.182</td>
<td>1.018</td>
<td>0.981</td>
</tr>
</tbody>
</table>

**Source:** Field Survey
Table 1 provides details of quantum of capital invested, production and employment ratios among them. As noted already, the total investments in the Bangalore Rural District, it grew from Rs.1819.66 lakh to Rs.3109.68 lakh displaying a linear growth rate of (7.66 percent) between 1997-98 and 2006-2007. During the same period total production grew from Rs.532 lakh to Rs.1452 lakh registering a growth rate of (20.51 per cent) per annum. The employment in these industries grew at a higher rate of (46.72 percent) per annum during the period under study. From the ratio presented in the table, it could be seen that the capital per unit of labour employed was Rs.6.641 lakh in the year 1997-98. Thanks to the relatively higher growth rate of employment than capital, the K/L ratio considerably falls to Rs.2.182 lakh per unit of labour for the year 2006-2007. The O/L ratio also fluctuated to some extent, but on the whole there was declining trend in the O/L ratio during the period under study. To be more specific the O/L ratio decreasing from 1.941 to 1.018 between 1997-98 and 2006-07. This implies that the productivity of labour declined steeply in the study under during the period under study. The declining labour productivity need to be viewed seriously.

Table 2 provides the category-wise principal characteristics and structural ratios of sample units in Bangalore Rural District.

<table>
<thead>
<tr>
<th>Industry Group</th>
<th>Units</th>
<th>Investment (K) (in lakh)</th>
<th>Output (O) (in lakh)</th>
<th>Employment (L)</th>
<th>K/L</th>
<th>O/L</th>
<th>O/K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and Beverages</td>
<td>1</td>
<td>55.25</td>
<td>6.54</td>
<td>5.15</td>
<td>10.728</td>
<td>1.269</td>
<td>0.118</td>
</tr>
<tr>
<td>Textile and Garments</td>
<td>11</td>
<td>545.42</td>
<td>109.24</td>
<td>102.22</td>
<td>5.335</td>
<td>1.068</td>
<td>0.200</td>
</tr>
<tr>
<td>Wood based</td>
<td>1</td>
<td>57.05</td>
<td>5.99</td>
<td>5.85</td>
<td>9.752</td>
<td>1.029</td>
<td>0.104</td>
</tr>
<tr>
<td>Printing Stationary</td>
<td>1</td>
<td>56.16</td>
<td>6.10</td>
<td>5.02</td>
<td>11.187</td>
<td>1.215</td>
<td>0.108</td>
</tr>
<tr>
<td>General and Engineering</td>
<td>3</td>
<td>99.17</td>
<td>20.33</td>
<td>15.42</td>
<td>6.431</td>
<td>1.318</td>
<td>0.205</td>
</tr>
<tr>
<td>Electrical and Electronics</td>
<td>1</td>
<td>55.99</td>
<td>5.49</td>
<td>5.32</td>
<td>10.524</td>
<td>1.031</td>
<td>0.098</td>
</tr>
<tr>
<td>Misc. Products</td>
<td>28</td>
<td>1426.42</td>
<td>1087.32</td>
<td>1076.47</td>
<td>1.325</td>
<td>1.010</td>
<td>0.762</td>
</tr>
<tr>
<td>Other Services</td>
<td>13</td>
<td>814.22</td>
<td>210.99</td>
<td>209.55</td>
<td>3.885</td>
<td>1.006</td>
<td>0.259</td>
</tr>
<tr>
<td>Total</td>
<td>59</td>
<td>3109.68</td>
<td>1452</td>
<td>1425</td>
<td>59.167</td>
<td>8.946</td>
<td>1.854</td>
</tr>
</tbody>
</table>

Source: Field Survey

Table 2 provides the category-wise principal characteristics and structural ratio of sample units in 2006-07 Bangalore Rural District. The capital out put ratio provides the amount of capital required to produce one unit of output. As could be seen from the table O/K ratio was the highest ratio at 0.762 miscellaneous products units of capital required in order to produce one unit of output. Next other services units the O/K ratio was highest at 0.259 in other services units and it was lowest at 0.098 in electrical and electronics units. Another important structure indicator was output labor ratio. The output labor ratio O/L gives the value of output per unit of labour or the productivity of labor. It could be seen from the table that the output labor ratio was highest at 1.318 lakh in general and engineering units and it was lowest at 1.006 lakh in other services units in 2006-07. In other words, an unit of labor in general and engineering units produced output worth 1.318 lakh in general and engineering units and it was lowest Rs.1.006 lakhs in other services units. In other words, an unit of labor in general and engineering units produced output worth 1.318 lakh in general and engineering units and it was lowest Rs.1.006 lakhs in other services units, in other service of units the amount of output per unit of labour varied between Rs.1.006 lakh and Rs.1.318 lakh. Similarly K/L ratio reveals the amount of labour required per unit of capital. From the values given in the table, it can be seen the miscellaneous
products units required lowest of Rs.1.325 in units of labour per one unit of capital and it was highest at 11.187 in printing stationary. This reiterates that miscellaneous products units were highly capital intensive units and wood based units, printing & stationary units were relatively labour intensive units in the district on the year 2006-07.

**Activity – wise profitability**

**Table 3.** Activity-wise profitability of sample units during 1997-98 to 2006-07 in Bangalore Rural District (Rs. In lakh)

<table>
<thead>
<tr>
<th>Year</th>
<th>Food</th>
<th>Textile</th>
<th>Wood</th>
<th>Printing</th>
<th>Engineering</th>
<th>Electrical</th>
<th>Miscell.</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>12.4</td>
<td>213.21</td>
<td>11.42</td>
<td>13.21</td>
<td>31.92</td>
<td>11.29</td>
<td>842.2</td>
<td>320.1</td>
<td>1437.75</td>
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<tr>
<td>1998-99</td>
<td>15.91</td>
<td>230.22</td>
<td>13.31</td>
<td>15.29</td>
<td>37.92</td>
<td>12.42</td>
<td>855.1</td>
<td>345.51</td>
<td>1525.68</td>
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<tr>
<td>1999-2k</td>
<td>18.42</td>
<td>250.61</td>
<td>14.42</td>
<td>17.1</td>
<td>39.61</td>
<td>13.29</td>
<td>869.72</td>
<td>355.61</td>
<td>1578.78</td>
</tr>
<tr>
<td>2000-01</td>
<td>20.32</td>
<td>262.39</td>
<td>17.92</td>
<td>19.51</td>
<td>40.62</td>
<td>15.42</td>
<td>974.4</td>
<td>364.9</td>
<td>1715.48</td>
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<tr>
<td>2001-02</td>
<td>21.61</td>
<td>272.79</td>
<td>19.61</td>
<td>20.39</td>
<td>42.92</td>
<td>16.99</td>
<td>989.9</td>
<td>399.21</td>
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<td>2002-03</td>
<td>23.21</td>
<td>280.01</td>
<td>22.21</td>
<td>21.32</td>
<td>45.54</td>
<td>18.24</td>
<td>996.21</td>
<td>450.19</td>
<td>1836.49</td>
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<td>2004-05</td>
<td>26.88</td>
<td>301.4</td>
<td>26.81</td>
<td>25.64</td>
<td>51.91</td>
<td>20.01</td>
<td>1049.51</td>
<td>474.92</td>
<td>1974.43</td>
</tr>
<tr>
<td>2005-06</td>
<td>28.82</td>
<td>315.29</td>
<td>28.77</td>
<td>28.19</td>
<td>55.1</td>
<td>22.04</td>
<td>1061.29</td>
<td>490.21</td>
<td>1951.47</td>
</tr>
<tr>
<td>2006-07</td>
<td>29.96</td>
<td>330.39</td>
<td>29.51</td>
<td>29.42</td>
<td>59.2</td>
<td>25.59</td>
<td>1079.21</td>
<td>499.51</td>
<td>2028.74</td>
</tr>
<tr>
<td><strong>LGR</strong></td>
<td>8.38</td>
<td>4.47</td>
<td>10.33</td>
<td>8.27</td>
<td>6.1</td>
<td>9.78</td>
<td>2.86</td>
<td>5.19</td>
<td>4.09</td>
</tr>
</tbody>
</table>

Source: Field Survey

Table 3 provides the activity-wise profitability of sample units during 1997-98 to 2006-07 Bangalore Rural District. It could be seen from the table that the total profit of all units amounted to Rs.1457.75 lakh in the year 1997-98 and over the years the profits of the units reached the level of 2082.49 lakhs in the year 2006-07. In other words the net profits all the units registered a growth rate of 4.09 per cent per annum during the period under study. The higher growth rate of profit registered in the district might to be due to relating lower growth rate of cost production. Among different categories of small scale units Wood based industries performed excellently with an average annual growth rate of 10.33 per cent in profit. The other categories of units that have put up very good performance during the year under study they were Electrical and Electronics and Food and Beverages units. These units respectively achieved average annual growth rate of 9.78 per cent and 8.38 per cent. The rate of growth of profit was very less in textiles and garments units an average annual growth rate of 4.37 per cent in profit. In short, by and large all the categories of units registered very good profit level during the period under study, mainly due to fall in cost of production.

**Table 4.** Activity-wise percentage of net profit to total production of sample units in Bangalore Rural District (Rs. in lakh)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>12.4</td>
<td>15.91</td>
<td>18.42</td>
<td>20.32</td>
<td>21.61</td>
<td>23.21</td>
<td>25.45</td>
<td>26.88</td>
<td>28.82</td>
<td>29.96</td>
</tr>
<tr>
<td>Textile</td>
<td>19.36</td>
<td>20.92</td>
<td>22.78</td>
<td>23.85</td>
<td>24.79</td>
<td>25.46</td>
<td>26.54</td>
<td>27.40</td>
<td>28.66</td>
<td>30.03</td>
</tr>
<tr>
<td>Printing</td>
<td>13.21</td>
<td>15.29</td>
<td>17.10</td>
<td>19.51</td>
<td>20.59</td>
<td>12.32</td>
<td>23.49</td>
<td>25.64</td>
<td>28.99</td>
<td>29.51</td>
</tr>
<tr>
<td>Engineering</td>
<td>10.64</td>
<td>12.64</td>
<td>13.20</td>
<td>13.54</td>
<td>14.30</td>
<td>15.18</td>
<td>16.63</td>
<td>17.30</td>
<td>18.32</td>
<td>19.73</td>
</tr>
<tr>
<td>Miscell</td>
<td>30.00</td>
<td>30.53</td>
<td>31.06</td>
<td>34.80</td>
<td>33.35</td>
<td>35.58</td>
<td>36.14</td>
<td>37.48</td>
<td>37.90</td>
<td>38.54</td>
</tr>
<tr>
<td>Others</td>
<td>24.62</td>
<td>26.38</td>
<td>27.35</td>
<td>27.92</td>
<td>30.70</td>
<td>34.63</td>
<td>35.39</td>
<td>36.92</td>
<td>37.71</td>
<td>38.42</td>
</tr>
<tr>
<td><strong>total</strong></td>
<td>133.14</td>
<td>147.80</td>
<td>157.62</td>
<td>173.28</td>
<td>183.94</td>
<td>186.83</td>
<td>207.67</td>
<td>218.44</td>
<td>231.24</td>
<td>240.90</td>
</tr>
</tbody>
</table>

Source: Field Survey

Table 4 reveals that, the activity-wise percentage of net profit to total production of sample units in Bangalore Rural district. It could be seen from the table that in the year 1997-98, profits of all the units constituted about 133.14 per cent of total value of production, over the years, there was gradual rise in
the proportion of profits earned by the study units. Among the different categories of small scale units, the proportion of net profit was very low at 10.64 per cent in engineering units in the year 1997-98. But over the years the proportion of net profit to total value of proportion gradually increased and reached the level of 19.73 per cent in engineering units. Similarly in wood based and electrical units the net profit constituted about 11.42 per cent and 11.29 percent of total value of production in the year 1997-98; these gradually rose to about 29.42 per cent and 25.29 percent in these two categories of units in the year 2006-07. In other services and miscellaneous units, the level of net profit seem to be very high when compared to other types of units in the district to be more specific in miscellaneous units, the proportion of net profits in the total value of production was 30 per cent in the year 1997-98 and it gradually rose to 38.54 per cent in the year 2006-07. In short, even though the units belonged to different categories the cost of production was by and large equal and hence the profits were also by and large equal for different categories of small scale units in the district during the year 2006-07.

Table 5. Overall profitability of sample units of Bangalore Rural District (Rs. in lakh)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production / Sales</th>
<th>Total cost</th>
<th>Net Profit</th>
<th>Profit Per unit</th>
<th>Profit per employee</th>
<th>Return on capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>532</td>
<td>340</td>
<td>192</td>
<td>8</td>
<td>9</td>
<td>10.55</td>
</tr>
<tr>
<td>1998-99</td>
<td>595</td>
<td>355</td>
<td>240</td>
<td>0.403</td>
<td>0.875</td>
<td>12.35</td>
</tr>
<tr>
<td>1999-2000</td>
<td>610</td>
<td>406</td>
<td>204</td>
<td>0.334</td>
<td>0.372</td>
<td>10.16</td>
</tr>
<tr>
<td>2000-01</td>
<td>625</td>
<td>532</td>
<td>93</td>
<td>0.149</td>
<td>0.155</td>
<td>4.22</td>
</tr>
<tr>
<td>2001-02</td>
<td>795</td>
<td>640</td>
<td>155</td>
<td>0.194</td>
<td>0.202</td>
<td>6.66</td>
</tr>
<tr>
<td>2002-03</td>
<td>972</td>
<td>755</td>
<td>217</td>
<td>0.223</td>
<td>0.250</td>
<td>9.69</td>
</tr>
<tr>
<td>2003-04</td>
<td>1050</td>
<td>844</td>
<td>206</td>
<td>0.196</td>
<td>0.208</td>
<td>8.22</td>
</tr>
<tr>
<td>2004-05</td>
<td>1192</td>
<td>932</td>
<td>260</td>
<td>0.220</td>
<td>0.233</td>
<td>9.93</td>
</tr>
<tr>
<td>2005-06</td>
<td>1385</td>
<td>1013</td>
<td>372</td>
<td>0.268</td>
<td>0.275</td>
<td>12.44</td>
</tr>
<tr>
<td>2006-07</td>
<td>1452</td>
<td>1145</td>
<td>307</td>
<td>0.211</td>
<td>0.215</td>
<td>9.87</td>
</tr>
<tr>
<td>LGR</td>
<td>20.70</td>
<td>27.69</td>
<td>8.38</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Survey

Table 5 provides overall profitability of sample units in Bangalore Rural District shows details of net profits, profit per unit, profit per employee and profit per unit of capital employed. These ratios were derived from the basic variable like, extent of employment, total investment and total production. A cursory glance at the table clearly indicates that the net profit of all the units increased steadily to reach Rs.307 lakhs registering a growth rate of 8.38 per cent per annum. Net profit per unit was Rs.0.360 lakh in the year 1997-98. Net profit per unit shows fluctuations to some extent. Nevertheless, they exhibited decreasing trend over the years to reach the level of Rs.0.211 lakh in the year 2006-07. Similarly, profit per unit of labour averaged to Rs.0.700 lakh in the year 1997-98. Net profits per employees also fluctuated to a certain extent and averaged to Rs.0.215 in the year 2006-07. The net profits per unit of capital invested turned out to be 10.55 lakh in the year 1997-98. The net profit per unit of capital investment is also known as rate of return on capital investment. It can be observed from the table the rate of return on capital invested gradually decreased over the study period to reach the level of 9.87 lakh in the year 2006-07.

FINDINGS

1. The total investments in the Bangalore Rural District grew from Rs.1819.66 lakh to Rs.3109.68 lakh displaying a linear growth rate of (7.66 per cent) between 1997-98 and 2006-2007. During the same period total production grew from Rs.532 lakh to Rs.1452 lakh registering a growth rate of 20.51 per cent per annum. The employment in these industries grew at a higher rate of 46.72 per cent per annum during the period under study.
2. The O/L ratio also fluctuated to some extent, but on the whole there was declining trend in the O/L ratio during the period under study, the O/L ratio decreasing from 1.941 to 0.018 between 1997-98 and 2006-07.

3. Category-wise principal characteristics and structural ratio of sample units in 2006-07 of Bangalore Rural District could be inferred that O/K ratio was the highest ratio at 0.762 for miscellaneous products units of capital required in order to produce one unit of output. Next for other services units the O/K ratio was highest at 0.259 and it was lowest at 0.098 in electrical and electronics units.

4. The activity-wise profitability of sample units during 1997-98 to 2006-07 of Bangalore Rural District can be inferred that the total profit of all units amounted to Rs.1457.75 lakh in the year 1997-98 and over the years the profits of the units more than doubled to reach a level of 2082.49 lakhs in the year 2006-07. Among different categories of small scale units, Wood based industries performed excellently with an average annual growth rate of 10.33 per cent in profit. The rate of growth of profit was very less in textiles and garments units with an average annual growth rate of 4.37 per cent in profit.

5. Overall profitability of sample units in Bangalore Rural District shows details of net profits, profit per unit, profit per employee and profit per unit of capital employed. Net profit per unit was Rs.0.360 lakh in the year 1997-98. Net profit per unit shows fluctuations to some extent. Nevertheless, they exhibited decreasing trend over the years to reach the level of Rs.0.211 lakh in the year 2006-07.

CONCLUSION

The study highlights the suitability and relevance of small scale industries in India’s economic development in the context of resource constraints, particularly capital resources. The small scale industries are less capital intensive and labour absorbing. The findings of the study have demonstrated that there has been development of small scale industries in terms of increase in production, profitability and capital output ratio. Among different categories of small scale units, Wood based industries performed excellently. The major suggestion offered by beneficiaries of select SSI units in Bangalore Rural District relates to the provision of additional working capital.

REFERENCES

ABSTRACT

Indian economy is a developing economy and FDI plays a vital role in its development. In 1991 Foreign Investment was introduced in India under FEMA, driven by then finance minister Manmohan Singh. FDI is an example of international factor movements in India. Starting from a baseline of less than $1 billion in 1990, a 2012 UNCTAD survey projected India as the second most important FDI destination (after China) for transnational corporations during 2010–2012. As per the data, the sectors that attracted higher inflows were services, telecommunication, construction activities and computer software and hardware. Mauritius, Singapore, US and UK were among the leading sources of FDI. Based on UNCTAD data FDI flows were $10.4 billion, a drop of 43% from the first half of the last year. In the last couple of months there has been a series of announcements of huge investments by giant foreign and NRI companies. The future of Indian economy is brighter because of its huge human resources, rapidly upcoming service sector, availability of large number of competent professionals, vast market for every product, increasing impact of consumerism, absence of controls and licenses, interest of foreign entrepreneurs in India and existence of four hundred million middle class people. India is poised for further growth in manufacturing, infrastructure, automobiles, auto components, food processing sectors, real estate development etc. In this context it is also worth mentioning that savings rate has also increased from 23% to 31% over the last year to this year. India's continuing ambivalence on FDI, as a result, exacts a heavy toll on the economy. Undoubtedly, India is ceding billions of dollars of FDI to its neighbours each year. While China achieved actual FDI inflows of around $45.3 billion in 1997, India settled for a mere $3.2 billion. India therefore stands to win in the next few years.

Keywords: Indian Companies; Markets; FII

INTRODUCTION

Foreign Direct Investment means not only mergers and acquisitions but building new facilities, reinvesting profits earned from overseas operations and intra company loans also. In present era the numerical FDI figures based on varied definitions which are not easily comparable. But for an idea FDI is the sum of equity capital+ other long-term capital+ short-term capital. FDI usually involves participation in management, joint-venture, transfer of technology and expertise. Stock of FDI is (Inward FDI- Outward FDI) for any given period. But, FDI refers just to building new facilities, in a narrow sense. Stock of FDI is (Inward FDI- Outward FDI) for any given period. Direct investment excludes investment through purchase of shares. FDI is one example of international factor movements. In 1991 Foreign Investment was introduced in India under FEMA, driven by then finance minister Manmohan Singh. India disallowed overseas corporate bodies (OCB) to invest in India since its introduction. India imposes cap on equity holding by foreign investors in various sectors. Current FDI in aviation and insurance sectors is limited to a maximum of 49%. Starting from a baseline of less than $1 billion in 1990, India is the second most important FDI destination (after China) for transnational corporations during 2010–2012 as per UNCTAD survey in 2012. As per the data, the sectors that attracted higher inflows were services, telecommunication, construction activities and
FDI is a great tool for any economy's growth. In India FDI increases at a very fast pace during last years. In some sectors it is still restricted and in some sectors its existence is controversial. This study will help in finding the impact of FDI on Indian economy up to a great extent.

METHODOLOGY
This research is based on secondary data. while doing the findings proper care is given to the objective of the research. relevancy and time period of data collection is also kept in mind. Data used in this research is appropriate according to the need of the topic.

REVIEW OF LITERATURE
FDI is one of the profitable aspects for Indian economy. Through it India has touched many milestones in corporate sector. No doubt it increases the difficulties of the Indian retailers and other sector entrepreneurs. But its overall result is positive. FDI is the example of factor movement in India.

Types
1. Horizontal FDI arises when a firm duplicates its home country-based activities at the same value chain stage in a host country through FDI.
2. Platform FDI Foreign direct investment from a source country into a destination country for the purpose of exporting to a third country.
3. Vertical FDI takes place when a firm through FDI moves upstream or downstream in different value chains.

Methods
The foreign direct investor may acquire voting power of an enterprise in an economy through any of the following methods:

- By incorporating a company or wholly owned subsidiary
- By purchasing shares of an company
- By merger and acquisition

In India Foreign investment was introduced in 1991 under Foreign Exchange Management Act (FEMA), driven by then finance minister Manmohan Singh. India disallowed overseas corporate bodies (OCB) to invest in India. India imposes cap on equity holding by foreign investors in various sectors, current FDI in aviation and insurance sectors is limited to a maximum of 49%. As per the data, the sectors that attracted higher inflows were services, telecommunication, construction activities and computer software and hardware. Mauritius, Singapore, US and UK were among the leading sources of FDI. Based on UNCTAD data FDI flows were $10.4 billion, a drop of 43% from the first half of the last year.(1)

Disallowed Areas for FDI in India
i) Atomic Energy
ii) Lottery Business
iii) Gambling and Betting
iv) Business of Chit Fund
v) Nidhi Company

vi) Agricultural (excluding Floriculture, Horticulture, Development of seeds, Animal Husbandry, Pisciculture and cultivation of vegetables, mushrooms, etc. under controlled conditions and services related to agro and allied sectors) and Plantations activities (other than Tea Plantations) (c.f. Notification No. FEMA 94/2003-RB dated June 18, 2003).

vii) Housing and Real Estate business (except development of townships, construction of residential/commercial premises, roads or bridges to the extent specified in Notification No. FEMA 136/2005-RB dated July 19, 2005).

viii) Trading in Transferable Development Rights (TDRs).

ix) Manufacture of cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.

**Importance**

FDI provides a great pace to the growth of Indian economy. The continuous inflow of foreign direct investments (FDI), which is now allowed across several industries, manifests the faith that foreign investors have in the country's economy. As per United Nations report, FDI inflows to India increased 17 per cent in 2013 to reach US$ 28 billion (2). Indian good business environment and government’s positive policy helps FDI to grow at such a fast pace. In 2013, the Centre relaxed FDI norms in sectors such as defence, PSU oil refineries, telecom, power exchanges and stock exchanges, among others. India received cumulative FDI inflows (including equity inflows, re-invested earnings and other capital) of US$ 331,923 million during the period April 2000-May 2014, according to data published by Department of Industrial Policy and Promotion (DIPP), Government of India. Total FDI equity inflows in India (including amount remitted through RBI's-NRI Schemes) during April 2000-May 2014 stood at US$ 222,890 million. The same year, established global players such as Tesco, Singapore Airlines and Etihad lined up to invest in India as the government opened more sectors to overseas investment. Singapore led the share of top investing countries by FDI equity inflows into India with US$ 5,985 million during FY 14, followed by Mauritius (US$ 4,859 million), the UK (US$ 3,215 million) and the Netherlands (US$ 2,270 million). The services sector attracted the highest FDI equity inflows in FY14 with US$ 2,225 million, followed by the construction development (US$ 1,226 million) and telecommunication (US$ 1,307 million) industries. (2)

Norway's Telenor Group plans to invest an additional Rs 780 crore (US$ 129.79 million) to increase its ownership in Indian subsidiary Uninor to 100 per cent; Telenor currently owns a 74 per cent stake in Uninor. "Continuing its long-term commitment to India, Telenor Group has filed to take complete ownership of its Indian business unit. An application has been filed with the Foreign Investment Promotion Board (FIPB) of the Government of India, seeking approval for an additional investment of Rs 780 crore (US$ 129.79 million) to raise ownership in Uninor to 100 per cent," as per a company's statement.

ZTE Corporation, Chinese telecom equipment maker plans to establish a Global Network Operating Centre (GNOC) in India. The centre will seek to manage the networks of multiple telecom carriers in Asia and Africa. "ZTE is in discussions with several telecom operators in Indonesia, Malaysia and Nigeria to manage their networks from a future GNOC in India for both fixed line as well as wireless networks," said MrXu Huijun, Senior Vice-President - Wireless Business, ZTE Corporation.

Japan's Suzuki Motor Corporation (SMC), the parent company of Maruti Suzuki, will spend Rs 18,500 crore (US$ 3.07 billion) to establish a new factory in Gujarat. SMC plans to establish a 100 per cent subsidiary, Suzuki Motor Gujarat (SMG), to manufacture cars on a strictly no-loss, no-profit basis for Maruti Suzuki. (2)

US-based Leapfrog Investment has bought a minority stake in Chennai-based financial services provider IFMR Capital Finance for US$ 29 million. IFMR aids small businesses, microfinance firms, commercial vehicle financiers and affordable housing companies raise money on the debt markets.
This marks Leapfrog's third investment in India, after having earlier backed insurance distribution firm Mahindra Insurance Brokers and Shriram CCL. (2)

**Government Initiatives**

The Reserve Bank of India (RBI) has allowed overseas investors via the automatic route. "Effective from February 4, 2014, foreign investment by way of FDI, investment by foreign institutional investors (FIIs)/FPIs and NRIs up to 26 per cent under automatic route shall be permitted in insurance sector," as per the RBI.

The RBI has allowed a number of foreign investors to invest, on repatriation basis, in non-convertible/redeemable preference shares or debentures which are issued by Indian companies and are listed on established stock exchanges in the country. Long-term investors who are registered with Securities and Exchange Board of India (SEBI) will also be deemed as eligible investors.

In an effort to bring in more investments into debt and equity markets, the RBI has established a framework for investments which allows FPIs to take part in open offers, buyback of securities and disinvestment of shares by the Central or State governments.

Under a new scheme named 'Foreign Portfolio Investment', the RBI said portfolio investors, which includes FIIs and qualified foreign investors (QFIs) registered as per SEBI guidelines, will be called Registered Foreign Portfolio Investors (RFPIs).

**Future Aspects in India**

As per industrial study the rate of growth of FDI in India is about to be double and may across US$60 Billion mark in 2015. Modi government has given a new hope to the market which is expected to witness over 100 per cent increase in foreign investment inflows - both FDI and FIIs - to above US$ 60 billion in the current financial year, as against US$ 29 billion during 2013-14," as per the study of some scholars.

**Negative Aspect**

As every coin has two sides, FDI has a negative aspect also. It is most harmful for the small indigenous retailers who are already at dying stage.

“As investors search the globe for the highest returns, they are often drawn to places endowed with bountiful natural resources but are handicapped by weak or ineffective environmental laws. Many people and communities are harmed as the environment that sustains them is damaged or destroyed -- villages are displaced by the large construction projects, for example, and indigenous people watch their homelands disappear as timber companies level old-growth forests. Foreign investment-fed growth also promotes western-style consumerism, boosting car ownership, paper use, and Big Mac consumption rates towards the untenable levels found in the United States -- with grave potential consequences for the health of the natural world, and the stability of the earth’s climate, and the security of food supplies.”


**CONCLUSION**

FDI is good for Indian economy but it must be curbed at right time and speed because everything in excess is harmful. No doubt it doubles our growth rate and makes stand our economy to compete in this global era. its negative aspects are very negligible but can’t be ignored because can create huge danger for our economy.

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ROLE OF DIGITAL MOBILE BANKING IN RURAL POCKETS OF INDIA

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ABSTRACT

Indian economy has undergone drastic change i.e. moving from the manufacturing sector, to emerging service sector. Banking has undergone many changes. Personalised services and products are attracting customer base which helps the banks to increase their market share. This is becoming a norm in the Indian market. The expected growth rate of 30% (Chanda Kochhar, ED, ICICI) attracts the players to focus on Retail Banking. Simultaneously the fastest player adapting to the current structural changes and regulatory framework will gain competitive advantage in banking sector.

Lack of vigilance and interference from the regulatory body had put this industry in a cozy zone for many years, resulting in low consumer base giving birth to an untapped market. The industrial revenue was solely dependent on personal relationships and trust. The players were aloof from the competition. There was no pressure to change this scenario.

The adaption of latest technology by new players subsided the interaction between the consumers and the advisors which diminished the traditional banking model. The revenue of Banking was not dependent only on faith and trust but the satisfaction of the customers needs at the stipulated time.

Banks now offer a gamut of features which enables customers to take financial decisions in a jiffy. The availability of several brands customers’ retention is a major challenge for the players.

The experts rightly state that Digital Mobile banking is a remedy for devastated banking industry. The revolutionary transformation with evolved features of any time banking and anywhere banking has increased the satisfaction threshold of the consumers thereby increasing the profitability of Indian Banking sector. Digital Mobile banking is a boon to the Indian Banking Industry, wherein the customers receives efficient and quick exposure to their banks by conserving resources. Research shows that Digital Mobile Banking is a source of increasing the revenue and growth. State Bank of India is a pioneer to adapt to the rapid change in providing the Digital Mobile services.

Rural sector: "India lives in its villages" the famous quote by The Father of the Nation. Mahatma Gandhi, emphasizes on the tremendous potential the rural pockets of India. Rural pockets are the backbone of the Indian Economy hence agriculture contributes highest to the country’s GDP.

Keywords: Digital Mobile Banking; Rural Pockets; Indian Banking; State Bank of India
INTRODUCTION
Financial sector faces tremendous competition due to liberalization, globalization and privatization. Banks are in search of options to face the impact of the various external forces. An attitude of constant creativeness and innovation is the need of the hour. Globally the banking industry has undergone a sea of change. Realms of Information technology has made tracking easy and it also helps fulfill commitments, multiple service channels for digital customers. The Banking system of India has incorporated these changes and has proved that Digital Mobile Banking is a convenient and efficient tool to satisfy customers. Digital Mobile Banking has increased paperless transactions which are time conserving. It includes the transfers of money in saving accounts and their loan accounts.

Banks can increase their market share for low cost deposit by offering new products and services and activities related to credit acquisition.

Rural Sector
The rural pockets of India have a lot of untapped potential which needs to be explored by creating avenues for saving and investment in their hometown. So that the gap of poverty and ignorance is bridged. The corporate houses gain competitive advantage by penetrating in these markets and increasing their customer base.

The "rural sector" means any place which meets the following criteria,

- A population of less than 5,000
- Density of population less than 400 per sq km and

More than "25% of the male working population" is engaged in agricultural pursuits.

Structure of Indian Banking
As per Section 5(b) of the Banking Regulation Act 1949: “Banking” means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawal by cheque, draft, order or otherwise.”

All banks which are included in the Second Schedule to the Reserve Bank of India Act, 1934 are scheduled banks. These banks comprise Scheduled Commercial Banks and Scheduled Cooperative Banks.

Scheduled Commercial Banks in India are categorized into five different groups according to their ownership and / or nature of operation. These bank groups are:

1. State Bank of India and its Associates,
2. Nationalised Banks,
3. Regional Rural Banks,
4. Foreign Banks and
5. Other Indian Scheduled Commercial Banks (in the private sector).

The State Bank of India (SBI) is a public sector bank along with its associates it holds the maximum share with Government of India. Commercial banks consist of foreign and Indian private banks. While the State bank of India and its associates, nationalized banks and Regional Rural Banks are constituted under respective enactments of the Parliament, the private sector banks are banking companies as defined in the Banking Regulation Act.

Indian financial system rests firmly on the foundation of Public Sector Banks. The cooperative credit institutions are broadly classified 1) urban credit 2) rural credit cooperatives. Scheduled Co-operative Banks can be classified as 1) Scheduled State Co-operative Banks 2) Scheduled Urban Co-operative Banks. Regional Rural Banks (RRB’s) are segregated as 1) state sponsored 2) regionally based and 3)
rural oriented commercial banks. The regulations for Regional Rural Banks were laid on 26th September 1975, and were later amended by the Regional Rural Bank Act 1976. The Act envisions providing credit and other facilities for developing agricultural, commercial, and other activities of production in the rural areas, especially designed for small and marginal farmers, laborers in agricultural activity.

Large segment of people in the rural sector were not successful in getting benefits of Banking services this made SBI to reach the masses and provide that affordable services to the unbanked people. The access to banking services especially to poor and unprivileged and low income group would elevate the process of poverty alleviate in the rural pockets of the country we find the majority of population not availing the banking services, SBI has set an objective that through Digital mobile banking both the farm and non-farm sectors will be the beneficiaries of the services.

Promoting Digital Mobile banking is a pressing need for the rural economy of India. SBI need a professionalized effort not with the motto of making profits but in fact with the vision of promoting the banking services to farm and non-farm sectors, because we find we find the high level of insensitivity among the rural community. It is significant that the bank professional activates the sensitization process. Granting loans is an important parameter however we cannot neglect the future of rural banking as it considerably depends upon on how efficiently the emerging trends and the evolving developments are addressed to the rural pockets and the confluence of both borrowers and lenders is achieved.

Digital Mobile Banking

Globalization made ways for corporatization which paved avenues for the development of the corporate sector followed by technoculture. The impact of latest generation of Information and Communication Technology (ICT) was observed in all the sectors of development. Banking organisations also encourages infusion of ICT for improvements in their functional behavior and characters. This was a quantum leap of transformation in the banking sector.

Thus the advantages of Digital Mobile Banking can be listed as follows:-

- Convenient accessibility of account at one’s fingertips.
- Provides more services
- Increasing customer base
- No monthly charges
- Strengthens customer loyalty

LITERATURE REVIEW

Ibrahim et al., (2006), in his research focuses on the various changes seen in the banking sector which can be attributed to increased deregulation, globalization, privatization and liberalization one of the major motivation for rationalizing, consolidating, and increased attention paid on costs incurred.

Haque et al, (2009) studied how Internet banking uses the internet for delivering various banking activities like funds and its transfers, bill payments, account statements being reviewed, and buying financial certificates of deposits.

According to Broadie et al (2007) reviewed how e-banking is contributing to a complete shift used in the promotion of banking industry. A well channelized banking service can be delivered in case the strategic operations are carried out efficiently. The strategic operations can work effectively only when integrated with an electronic system. The various elements which ensure smooth functioning of the system are data, the hardware system, its software, the network and human resource. Customer satisfaction is achieved only when the interactions with bank transactions are comfortable and
convenient. A system which is Internet enabled helps electronic system to aid this operation to be result oriented.

According to Christopher et al (2006), E-banking is an important delivery channel for selling products as well as services and it is perceived to be a necessary initiative for staying profitable and being successful. The core skill lies in understanding and interpreting the experience in the right way which will further help in enhancing the experience.

Another study conducted by Khalil and Pearson (2007) has clearly brought out the fact that trust has its impact and it affects the attitudinal change towards accepting online banking. In order to support the initiative of adopting online banking, banks need development of strategies focusing to improve the customer trust as well as the core technology on which it is based.

OBJECTIVES OF THE STUDY

1. To study Banking sector in India
2. To study the emergence of Digital Mobile Banking
3. To analyse the role the Digital Mobile Banking in Banking sector
4. To analyse the impact of Digital Mobile Banking on rural pockets

HYPOTHESIS OF THE STUDY

H₁: Digital Mobile Banking helps create awareness in the rural community.
Hₐ₁: Digital Mobile Banking does not help create awareness in the rural community.
H₂: Digital Mobile Banking has a positive impact on the rural community
Hₐ₂: Digital Mobile Banking does not have a positive impact on the rural community

LIMITATION OF THE STUDY

The study is limited to only Digital Mobile Banking in Indian scenario
The study is limited to State Bank of India (SBI).
The study is limited to Village Gaigoan, Taluka Balapur, Akola district of Maharashtra, India

SIGNIFICANCE/IMPORTANCE OF THE STUDY

The research study is significant to evaluate the level of awareness about Digital Mobile Banking of SBI in India. The results/findings of the present study are useful to the banking industry in their efforts to improve the working of SBI in India.

SCOPE AND COVERAGE OF THE STUDY

The study covers a specific period of 2013-2014 i.e. after inception Digital Mobile Banking in India. It studies the working of Digital Mobile Banking in rural pockets of India.

AREA OF THE STUDY

The study was conducted at Village Gaigoan, Taluka Balapur, Akola district of Maharashtra, India

RESEARCH METHODOLOGY

Research Design

The present study is diagnostic and exploratory in nature and makes use of both primary and secondary data.
Method of Data Collection

The present study is based on the analytical method. The research study is mainly based on primary data which is collected, compiled and calculated mainly from schedules, questionnaire and interviews of 250 Rural consumers based in SBI of Village Gaigoan, Taluka Balapur, Akola district of Maharashtra, India. Other related information collected from journals, conference proceedings and websites.

DATA ANALYSIS

Age Group

Interpretation: It can be inferred from the data that the age group between 40-50 yrs. is inclined towards saving.

Occupation

Interpretation: The survey results show the occupation 35% of respondents is farming, 29% depend on horticulture, 22% depend on animal husbandry, 12% depend on poultry farming while 2% depend on seasonal business.

Do you have a saving account with SBI?
Interpretation: 150 respondents have account with SBI. About 100 respondents do not have an account with SBI.

Are you aware of Digital Mobile Banking?

Interpretation: 187 respondents are not aware about Digital Mobile Banking, 63 respondents were awareness about Digital Mobile Banking. **Hence our H₂ is proved.**

Preferred Services by SBI

Interpretation: According to the data acquired during the survey conducted for this research it was found out that Loan facility was the most preferred facility. Mobile banking is preferred by 24% of the respondents while Digital Mobile Banking is preferred by 11% of respondents and only 5% of respondents like it.

Impact of Digital Mobile Banking towards Saving

Interpretation: Digital Mobile Banking has created a positive attitude towards saving. 76% of the respondents have a realized the importance of saving through Digital Mobile Banking. **Hence our H₂ is proved.**

SUGGESTIONS / RECOMMENDATIONS

Digital Mobile Banking is a vehicle to enhance customer experience which helps to increase the customer satisfaction. Thereby providing apt product for sufficing their need. Other public banks should also take initiative and expand their wings to reach the rural untapped customers for banking.
CONCLUSION

Digital Mobile Banking has made SBI to reach in the rural pockets of the country. The problems of transportation have kept rural consumers deprived from saving and investments of their earnings. Digital Mobile Banking plays a vital role in creating the awareness of saving and investments of rural consumers; consequently it enhances the symbiotic relation between the SBI and rural consumers. Here the consumers get a platform for saving and SBI being a Public sector bank penetrates the rural pockets. SBI acts as a channel of financial growth of rural consumers.

REFERENCES

ETHICAL ISSUES AND CODE OF CONDUCT RELATED TO HUMAN RESOURCE MANAGEMENT

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ABSTRACT

Human resource management is a strategic and coherent approach to the management of an organization’s most valued assets the people working there who individually and collectively contribute to the achievement of its objectives.

Human Resource Management is the process of recruitment, selection of employee, providing proper orientation and induction, providing proper training and the developing skills, assessment of employee (performance of appraisal), providing proper compensation and benefits, motivating, maintaining proper relations with labour and with trade unions, maintaining employee’s safety, welfare and health by complying with labour laws of concern state or country.

HRM is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training. Human resource management is used to ensure the right man for the right position and at the right time in a changing environment. Human Resource Management can play a critical role fostering an ethical culture by providing orientation and training for all employees.

Human resource management (HRM) can play an important role in this regard by communicating the organization’s culture and values. Ethical training is needed for all employees and it should continue throughout the employee’s tenure. HRM can champion a strong ethical culture in which employees feel free to openly speak about issues, question authority figures and report any concerns. Employees need to know how to handle the ethical dilemmas that they will encounter in their job.

The objective of this research is to look and explore the ethical issues related to the human resource management for different aspects just like personnel, industrial relations. The purpose of the study is to obtain ethical issues related to human resource management from different HR manager, HR experts, HR organization, researchers, scholars and HR promoters’ point of view. Furthermore, one perspective of the study is to define the importance and impacts of ethical issues related to HRM.

We are find out that different number of industries, companies, firms use ethics in their organization to build up the legal framework for their personnel. Today, work forces are more conscious and aware.
about their rights and values. However we also discovered that companies, to build up the confidence of their work force, use the ethics within organization.

**Keywords:** Human Resource Management; Theories of HRM; Ethical Issues; Code of Ethics; Role of Ethical Issues in HRM

**INTRODUCTION**

The terms ‘human resource management’ (HRM) and ‘human resources’ (HR) have largely replaced the term ‘personnel management’ as a description of the processes involved in managing people in organizations. Human resource management was previously known as personnel management which was concerned with the activities of a single department. It was typically concerned with the administration of human.

Human resource management helps to ensure the right man, for the right position and at the right time in a changing environment. The organizational performance depends on the efficiency of human resource working in the organization. Hence, a proper set up should be taken for manpower planning, recruitment, motivation, training and development, performance evaluation, remuneration management and industrial relation.

Moreover, human resource management is concerned with the development of human skill, knowledge and ability to perform the organizational tasks effectively and efficiently. It is a field of study consisting of four functions- acquisition, development, motivation and maintenance of human resources. The acquisition is related with getting people, development is with preparing them for work, motivation refers to activating them and finally maintenance refers to keeping them retained in the organization.

Therefore, human resource management is an art of managing and mobilizing people in the organization. It is done through the application of different practices and policies which ultimately values human resources as major asset of an organization. It integrates personnel function into strategic management.

Ethics are those values which have been imbibed within an individual on reinforced externally that help him to distinguish between right and wrong and to act accordingly. There can be several sources of ethics like religion, organizational culture, legal obligations etc. Ethics in HRM indicates the treatment of employees with ordinary decency and distributive justice. The ethical business contributes to the business goals as the employees will feel motivated and they will work with efficiency and effectiveness. Ethics in HRM basically deals with the affirmative moral obligations of the employer towards employees to maintain equality and equity justice.

**REVIEW OF LITERATURE**

Ethics can be defined as “a set of prescriptive rules, principles, values, and virtues of character that inform and guide interpersonal and intrapersonal conduct”. Ethics is a key branch of philosophy, concerned with analyzing what is right or wrong in people’s behavior or conduct. Ethics and morality are terms that are often used interchangeably in discussions of good and evil. The term ‘ethics’ is usually applied to persons and ‘morality’ to acts and behavior. Organizations are bound by law to treat the people they employ fairly and not to discriminate against identified groups. Legislation is a codification of accepted moral principles, and acts to moderate standards within a community the greatest good of the greatest number.

Karthikeyan.S Conclude that HR systems are the key to the development and maintenance of Ethical culture. One of the steps HR managers can take is to focus on how ethics and values fit into the design of key systems such as performance management and reward systems. Hr managers can integrate accountability for ethics and values into performance management systems so that implementing ethical values is weighted substantially in promotion and compensation decisions. Overall HR and
Ethics managers must focus on how ethical systems fit together and align in support of ethical conduct, a common goal.

Ronald F. Smedley (2008) concludes that we cannot do business as a culture if trust is lost, values have no meaning, and everything has to be solved through litigation. Good reputations and solid ethical decisions in business create value. However, the “cost of doing business” increases dramatically due to negative opportunistic behavior as productive resources are devoted to defensive purposes. Ethical violations result in new laws and new regulations. Ultimately the result is more constraints, low morale, a decreased attitude of caring, and a loss of a productive workforce.

Winstanley (1996) conclude that management seeks for transparent employees in order to select those offering not only outstanding professional abilities and knowledge but also displaying desired behavior, attitude, motivation and interest, therefore modern HRM puts a lot of efforts in techniques of evading the autonomy and privacy of employees or even enforcing, attitude and values through change programmes.

Winstanley and Woodall (2001) described that HRM academics and practitioners should be concerned with ethics and ethical approaches in their own interest, since the success and failure of business may more and more depends on a satisfying response to ethical demands made by internal as well as external customers.

Legge (1998) states that “the experience of HRM is more likely to be viewed positively if its underlying principles are ethical’. For HRM practitioners, the positive perception of their profession would not only imply an increase acknowledgment of their work, but possibly also an increased tolerance of sometimes unpalatable measures.

OBJECTIVES OF STUDY

1. To describe the concept of human resource management.
2. To evaluate the major ethical issues related to human resource management.
3. To define the Theories of HRM ethics.
4. To define the Code of HRM Ethics.
5. To describe the Role of ethical issues in HRM

Ethical Issues in HRM

Cash and Compensation Plans- There are ethical issues pertaining to the salaries, executive perquisites and the annual incentive plans etc. The HR manager is often under pressure to raise the band of base salaries. There is increased pressure upon the HR function to pay out more incentives to the top management and the justification for the same is put as the need to retain the latter. Further ethical issues crop in HR when long term compensation and incentive plans are designed in consultation with the CEO or an external consultant. While deciding upon the payout there is pressure on favoring the interests of the top management in comparison to that of other employees and stakeholders.

Race, gender and Disability- In many organizations till recently the employees were differentiated on the basis of their race, gender, origin and their disability. Not anymore ever since the evolution of laws and a regulatory framework that has standardized employee behaviors towards each other. In good organizations the only differentiating factor is performance! In addition the power of filing litigation has made put organizations on the back foot. Managers are trained for aligning behavior and avoiding discriminatory practices.

Employment Issues- Human resource practitioners face bigger dilemmas in employee hiring. One dilemma stems from the pressure of hiring someone who has been recommended by a friend, someone from your family or a top executive. Yet another dilemma arises when you have already hired
someone and he/she is later found to have presented fake documents. Two cases may arise and both are critical. In the first case the person has been trained and the position is critical. In the second case the person has been highly appreciated for his work during his short stint or he/she has a unique blend of skills with the right kind of attitude. Both the situations are sufficiently dilemmatic to leave even a seasoned HR campaigner in a fix.

Privacy Issues- Any person working with any organization is an individual and has a personal side to his existence which he demands should be respected and not intruded. The employee wants the organization to protect his/her personal life. This personal life may encompass things like his religious, political and social beliefs etc. However certain situations may arise that mandate snooping behaviors on the part of the employer. For example, mail scanning is one of the activities used to track the activities of an employee who is believed to be engaged in activities that are not in the larger benefit of the organization.

Similarly there are ethical issues in HR that pertain to health and safety, restructuring and layoffs and employee responsibilities. There is still a debate going on whether such activities are ethically permitted or not. Layoffs, for example, are no more considered as unethical as they were thought of in the past.

Role of HR in Promoting Ethics

1. Improve recruitment and selection tests Follow the recruitment policy that is identification of the recruitment needs, monetary aspects, criteria of selection and preference etc.; Follow the situational factors such as economic factors, social factors, technological factors etc.; Selection must be in planned manner; Avoid illegal questions.

2. Conduct ethics training it is a short term process of training given to the HR of the organization to do their work in adherence to the ethical code of conduct. The main advantages are increased productivity, higher employee morale, less supervision, less wastage, etc.

3. Ensure that there are no pitfalls in performance appraisal Performance appraisal should be factual and there should not be any partiality or bias in the attitude towards the employees.

4. Rewards and disciplinary system

5. Improve and facilitate two way communications

6. Avoid any kind of discrimination among the employees based on certain factors like caste, colour, culture, religion, appearances etc.

7. Equal opportunities must be given to every employee for his advancement and development.

8. Measures should be taken for employee safety while working in the organization.

Code of Ethics

Competence: - Maintain competence in carrying out professional responsibilities and provide services in an honest and diligent manner. Ensure that activities engaged in are within the limits of one’s knowledge, experience and skill. When providing services outside one’s level of competence, or the profession, the necessary assistance must be sought so as not to compromise professional responsibility.

Legal Requirements: - Adhere to any statutory acts, regulation or by-laws which relate to the field of Human Resources Management, as well as all civil and criminal laws, regulations and statutes that apply in one’s jurisdiction. Not knowingly or otherwise engage in or condone any activity or attempt to circumvent the clear intention of the law.

Dignity in the Workplace: - Support, promote and apply the principles of human rights, equity, dignity and respect in the workplace, within the profession and in society as a whole.
Balancing Interests: - Strive to balance organizational and employee needs and interests in the practice of the profession.

Confidentiality: - Hold in strict confidence all confidential information acquired in the course of the performance of one’s duties, and not divulge confidential information unless required by law and/or where serious harm is imminent.

Conflict of Interest: - Either avoid or disclose a potential conflict of interest that might influence or might be perceived to influence personal actions or judgments. Maintain personal and professional growth in Human Resources Management by engaging in activities that enhance the credibility and value of the profession.

Enforcement: - The Canadian Council of Human Resources Associations works collaboratively with its Member Associations to develop and enforce high standards of ethical practice among all its members.

Professional Growth and Support of Other Professionals: - Maintain personal and professional growth in human resources management by engaging in activities that enhance the credibility and value of the profession.

Use of Information: - HR Professionals consider and protect the rights of individuals, especially in the acquisition and dissemination of information while ensuring truthful communications and facilitating informed decision-making.

Fairness and Justice: - As human resource professionals, we are ethically responsible for promoting and fostering fairness and justice for all employees and their organizations.

Theories in Human Resources Management

Human resource management principles and techniques for people management in competitive organizations are drawn from theories found in different disciplines. Indeed, it is impractical to present all the disciplines and relevant theoretical aspects that have shaped the understanding of human resource management today. Therefore, it is believed that it is only important to give the reader a cursory view of some relevant theories underpinning human resource management and whoever may be interested in knowing more about the genesis and developments of a specific theory may do so by taking extra homework.

Organization life cycle theory

Cameron & Whetton (1981) advanced organization life cycle theory which characterizes organizational development from formation, growth, maturity, decline and death. According to the theory, the driving force in all these stages is the nature of workforce. At the maturity stage the organization cannot continue to grow or survive if there is no organizational structure that supports human resource creativity, innovation, teamwork and high performance, which will withstand pressure from competitors.

Role behavior theory

Role behavior theory aims to explain and predict the behavior of individuals and teams in organizations, which, in turn, inform managers for the purposes of decision making, and what steps they take on people management as well as the expected consequences. Some of the key ideas focus on the need to improve the working environment including the resources in order to stimulate new behavior in employees in order for them to cope with new demands, it includes the use of rewards to induce and promote positive work behavior, and punishments to control negative behavior.

Resource dependency theory

One of the challenges faced by managers during the economic recessions in the 1970s is how organizations can best acquire scarce resources and effectively utilize them in order to remain
competitive in the market. The ability to utilize one’s own resources including (financial, technological and labour), and acquire more from the external environment was one of the areas of concern in many organizations. The more organizations were able to harness resources, the more competitive they became. However, overdependence on external resources appeared to be risky due to the uncertainties that cannot be controlled by the organization.

Institutional theory

The word ‘institution’ means different things to different people depending on academic and professional orientation. However, it is a discipline that combines politics, law, psychology, public administration, and economics amongst other things, in order to explain why certain decisions are made or actions taken and their impact on the organization. Commons (1931) defines ‘institutions’ as ‘collective action in control, liberation and expansion of individual action’. These institutions establish relationships of rights, duties, no rights, and no duties which influence behavior of individuals. ‘The major role of institutions in society is to reduce uncertainty by establishing a stable structure to human interaction.’ Institutions could be formal, and have explicit rules, contracts, laws, and rights or informal in the sense of social conventions that are not designed by anybody. Therefore organizations should set an appropriate institutional framework that will bind and influence the behavior of employees towards an organizational commitment to excellence.

Transaction cost theory

Transaction cost theory is based on the economic view of the costs of conducting business transactions. The thesis is that companies will grow if the costs of exchanging resources in the company are cheaper in comparison to competitors. Such costs include bureaucratic employment structures, procedures and the enforcement of employment contracts. For that matter employment relationships that may lead to high costs of exchange, should be minimized.

Comparative advantage theory

The main architect of comparative advantage theory is the economist David Ricardo who talked of the specialization and division of labour among nations and firms. Ricardo postulated that nations should produce goods in which they have a domestic comparative advantage over others. The organizations and nations have focused on strengthening internal capacity in order to have more advantages relative to competitors and hence to reduce production and distribution costs per unit. Improving internal capacities includes having the best human resources who are best utilized to producer cheaper and better quality goods and services.

General systems theory

No organization can survive without interacting with its environment. Organizations get inputs from the external environment, they are processed and the outputs are released to the external environment, which provides feedback to the organization. Customers who are part of the environment will give feedback by using different means including value judgment on quality, price, style and fashion. Therefore organizations are seen as systems with components and parts that are related and interconnected in such a manner that failure of a component or part leads to the failure of another. The system approach to understanding organizations considers the human resource department as a component of the organization’s system that also has other departments such as accounting, engineering, marketing etc. In order for the organization to grow and remain competitive, each department, section or unit should support each other.

Human capital theory

Human capital theory was initially well developed by Becker (1964) and it has grown in importance worldwide because it focuses on education and training as a source of capital. It is now widely acknowledged that one of the key explanations for the rapid development of Asian countries in the 1970s and 80s is high investment in human capital. Human capital theory changes the equation that
training and development are ‘costs the organization should try to minimize’ into training and development as ‘returnable investments’ which should be part of the organizational investment capital. Therefore, human resource training and development decisions and evaluations have to be done based on clearly developed capital investment models.

**Strategic contingency theory**

There is a growing body of knowledge stipulating that since an organization operates and thrives in a complex environment, managers must adopt specific strategies which will maximize gains and minimize risks from the environment. In this premise, the theory contends that there is no one best strategy for managing people in organizations. Overall corporate strategy and the fee back from the environment will dictate the optimal strategies, policies, objectives, activities and tasks in human resource management.

**Organizational change theory**

Gareth (2009: 291) defines organizational change as the process by which organizations move from their present state to some desired future state to increase their effectiveness. Organizations change in response to many developments taking place in the internal and external environment such as technology, policies, laws, customer tests, fashions and choices that influence peoples’ attitudes and behavior. These developments influence different aspects of human resource management and in response, organizations have to change the way organizational structure, job design, recruitment, utilization, development, reward and retention are managed. The organizational change theory suggests the improvement of organizational change and performance by using diagnostic tools appropriate for the development of effective change strategy in human resource management.

**Organizational learning theory**

Globalization has changed knowledge monopoly. Knowledge generated in one part of the world spreads faster than a decade ago. Today, what matters for organizational competitiveness is the ability to learn from emerging knowledge and adapt the learning to suit the organizational environment faster than others. The importance of total organizational learning whereby individuals and teams muster knowledge related to their work and the environment and share with common vision, models and strategies for addressing the present and future of the organization. Therefore, poor organizational learning leads to poor organizational adaptation to the environment, less competitiveness, which leads inevitably to decline and ultimate collapse.

**CONCLUSION**

This research paper concludes that there are numbers of prospective ethical issues, code of conduct, theories that HR organizations use in HRM for recruitment, selection, placement, training and developing their prospective personnel within organization and fulfill all the ethical concern of the personnel management and employees associations, labor associations, trade union such as INTUC, AITUC, AIMO, ILO, EFI, etc. HR organizations use the prospective ethical value to the personnel and treat with the honesty, truthiness, integrity with their Workforces and use high ethical standards to different type of personnel such as men, women employees. HR organizations have developed different redressal grievances and discipline to their employees.

**REFERENCES**


ABSTRACT

Culture is an important aspect of an organisation is reflected in the values that the organisation holds. The importance of climate and culture of the organisation as a catalyst for survival and growth has been recognised since the days of modern management culture develops a certain set of characteristics in order to deal with a particular internal and external environment. With a view of analysing the OCTAPAC culture in the A.P.S. University, Rewa (M.P.) The employees of the three groups of the university expressed different opinions on OCTAPAC elements. In group A and B the score ranged between average to very good. In group C, proactively and collaboration scored poor while that of confrontation is extremely poor. The remaining elements are either very good or average. The overall OCTAPAC culture of the university has been calculated as 3.290 (57.25%), that is average.

Keywords: HRD Values; OCTAPAC Culture; HRD Climate; Elements of OCTAPAC; University System

INTRODUCTION

Culture is an important aspect of an organisation is reflected in the values that the organisation holds. The importance of climate and culture of the organisation as a catalyst for survival and growth has been recognised since the days of modern management culture develops a certain set of characteristics in order to deal with a particular internal and external environment.

With the advent of HRD movement a distinct set of value come to be identified with the HRD climate of an organisation. A major outcome of the HRD process in the organisation is the development of HRD climate and values.

Pareek (1994) has suggested eight values in the context of HRD. They are openness: confrontation; trust; authenticity; proaction; autonomy; collaboration and experimentation -represented as OCTAPACE. These values get reinforced by the HRD process and, as well as, reinforce the HRD culture of the organisation. Kumar (1998) studied the contribution of training towards HRD culture / values in a public sector organisation Tiwari (2011,2012) Tiwari & Tiwari 2012, 2012(a). analysed average category of OCTAPAC culture in A.P.S. University, Rewa (M.P.). Wallis (2011) studies the role of HRM on organization effectiveness. Surat Kumari & Joshi analyzed the HRD climate in Nationalized Bank. Rao and Abraham (1991) developed a 38 items HRD climate-questionnaire; these items were grouped into three categories - General climate, HRD mechanisms and OCTAPAC culture.

OCTAPAC culture is essential for facilitating HRD. Openness is there when employees feel free to discuss their ideas, activities and feelings with each other; Confrontation brings out problems and issues into the open with a view to solving them rather than hiding them for fear of hurting or getting
hurt, Trust is taking people at their face value and believing what they say; Autonomy is giving freedom to let people work in dependently responsibility, Pro-activity is encouraging employees to take initiative and risks. Authenticity is the tendency of the part of people to do why they say. Collaboration is to accept interdependencies to be helpful to each other and work as teams.

OBJECTIVES

1. To study the HRD values/ OCTAPAC culture among non-teaching staff of the university.
2. To analyse the different elements of HRD values in the university.
3. To assess the variation of HRD values in different group of employees in the university.

METHODOLOGY

With a view of analysing the OCTAPAC culture in the A.P.S. University. Rewa, Questionnaire distributed among the various cadres of group A,B and C (administrative, supervisory and assistants) employees. To measure the OCTAPAC culture, a 10 items questionnaire (29 to 38 items of HRD climate survey questionnaire of Rao and Abraham. 1991) was administered to the selected respondents. The scoring was analysed on five point scale and score was simplified in percentage as per the formula of Rao (1991) i.e.

\[
\text{Percentage Score} = \frac{\text{Mean Score} - 1}{25}
\]

Five categories of gradation were very good, good, average, poor and extremely poor.

RESULTS

The OCTAPAC culture are the results of 10 items (29-38). It has been calculated at 4.133 (78.33%) for group A, 3.833 (72.08%) for group B, 2.949 (48.73%) for group C, The overall OCTAPAC culture of the university has been calculated as 3.290 (57.25%), that is average. (Table 1. and Fig 1.)

Table-1 OCTAPAC culture of Group A, B, C Respondents in A. P. S. University, Rewa (M.P.)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Item No.</th>
<th>Group A</th>
<th></th>
<th>Group B</th>
<th></th>
<th>Group C</th>
<th></th>
<th>Overall</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>OCTAPAC Culture</td>
<td>(29-38)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10 times</td>
<td>AM S</td>
<td>%</td>
<td>CA G</td>
<td>AM S</td>
<td>%</td>
<td>CA G</td>
<td>AM S</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.13</td>
<td>78.3</td>
<td>VG</td>
<td>3.83</td>
<td>72.08</td>
<td>VG</td>
<td>2.94</td>
<td>48.73</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3</td>
<td>3</td>
<td></td>
<td>3</td>
<td>08</td>
<td></td>
<td>9</td>
<td>73</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.9</td>
<td>57.25</td>
<td>Av</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fig.1 Percentage scores and categories of OCTAPAC culture in different groups of employees in A.P.S University, Rewa (M.P.)
Elements of OCTAPAC Culture

The AMS and percentage of different elements of OCTAPAC for the Groups A, B, C and overall of the employees of university are presented in Table 2, 3, 4, 5 and Fig 1, 2. The exploration of data have evinced that the element openness of OCTAPAC had the very good score [AMS 4.06 (76.5%)], while confrontation and authenticity scored the poor (48.0% and 43.0% respectively). The score of autonomy proactively and collaboration were average while that of the trust was good [AMS 3 50 (62.5%)]

The employees of the three groups of the university expressed different opinions on OCTAPAC elements. In group A and B the score ranged between average to very goods. In group C, proactively and collaboration scored poor while that of confrontation is extremely poor. The remaining elements are either very good or average.

Table 2. Category wise degree of OCTAPAC elements in A.P.S. University Rewa (M.P.)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Category</th>
<th>Percentage</th>
<th>OCTAPAC elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.</td>
<td>Very good</td>
<td>70 and above</td>
<td>Openness</td>
</tr>
<tr>
<td>02.</td>
<td>good</td>
<td>60 and above</td>
<td>Trust</td>
</tr>
<tr>
<td>03.</td>
<td>Average</td>
<td>50 and above</td>
<td>Autonomy, Proactively, Collaboration</td>
</tr>
<tr>
<td>04.</td>
<td>Poor</td>
<td>40 and above</td>
<td>Authenticity</td>
</tr>
<tr>
<td>05.</td>
<td>Extremely poor</td>
<td>Less than 40</td>
<td></td>
</tr>
</tbody>
</table>

Table 3. Elements of OCTAPAC of Group A, B, C Employees in A.P.S. University, Rewa (M.P.)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Item</th>
<th>Dimension wise</th>
<th>A (N=6) MS</th>
<th>B(N=12) MS</th>
<th>C(N=32) MS</th>
<th>Overall ∑ N=50</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) O = Openness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>30</td>
<td></td>
<td>4.33</td>
<td>4.583</td>
<td>4.0</td>
<td>4.18</td>
</tr>
<tr>
<td>2.</td>
<td>31</td>
<td></td>
<td>4.0</td>
<td>4.5</td>
<td>3.708</td>
<td>3.94</td>
</tr>
<tr>
<td></td>
<td>AMS</td>
<td></td>
<td>4.166</td>
<td>4.541</td>
<td>3.854</td>
<td>4.06</td>
</tr>
<tr>
<td></td>
<td>Percentage</td>
<td></td>
<td>79.15</td>
<td>88.56</td>
<td>71.35</td>
<td>76.5</td>
</tr>
<tr>
<td>(b) C = Confrontation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>36</td>
<td></td>
<td>3.33</td>
<td>3.75</td>
<td>2.541</td>
<td>2.92</td>
</tr>
<tr>
<td></td>
<td>Percentage</td>
<td></td>
<td>58.36</td>
<td>68.75</td>
<td>38.53</td>
<td>48.0</td>
</tr>
<tr>
<td>(C) T = Trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>29</td>
<td></td>
<td>3.833</td>
<td>4.0</td>
<td>3.25</td>
<td>3.50</td>
</tr>
<tr>
<td></td>
<td>Percentage</td>
<td></td>
<td>70.83</td>
<td>75.0</td>
<td>56.25</td>
<td>62.5</td>
</tr>
<tr>
<td>(d) A = Autonomy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>33</td>
<td></td>
<td>3.166</td>
<td>3.416</td>
<td>2.583</td>
<td>2.84</td>
</tr>
<tr>
<td>2.</td>
<td>34</td>
<td></td>
<td>4.0</td>
<td>3.583</td>
<td>3.666</td>
<td>3.68</td>
</tr>
<tr>
<td></td>
<td>AMS</td>
<td></td>
<td>3.583</td>
<td>3.499</td>
<td>3.124</td>
<td>3.26</td>
</tr>
<tr>
<td></td>
<td>Percentage</td>
<td></td>
<td>54.58</td>
<td>52.48</td>
<td>53.1</td>
<td>56.5</td>
</tr>
<tr>
<td>(e) P= Proactively</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>32</td>
<td></td>
<td>3.66</td>
<td>3.916</td>
<td>2.791</td>
<td>3.16</td>
</tr>
<tr>
<td></td>
<td>Percentage</td>
<td></td>
<td>66.65</td>
<td>72.9</td>
<td>44.78</td>
<td>54.0</td>
</tr>
<tr>
<td>(f) A = Authenticity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>37</td>
<td></td>
<td>4.5</td>
<td>3.583</td>
<td>2.333</td>
<td>2.90</td>
</tr>
<tr>
<td>2.</td>
<td>38</td>
<td></td>
<td>4.166</td>
<td>3.416</td>
<td>1.916</td>
<td>2.54</td>
</tr>
<tr>
<td></td>
<td>AMS</td>
<td></td>
<td>4.333</td>
<td>3.499</td>
<td>2.124</td>
<td>2.72</td>
</tr>
<tr>
<td></td>
<td>Percentage</td>
<td></td>
<td>83.36</td>
<td>62.48</td>
<td>28.1</td>
<td>43.0</td>
</tr>
<tr>
<td>(g) C = Collaboration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>35</td>
<td></td>
<td>4.333</td>
<td>4.083</td>
<td>2.708</td>
<td>3.24</td>
</tr>
<tr>
<td></td>
<td>Percentage</td>
<td></td>
<td>85.36</td>
<td>77.08</td>
<td>42.7</td>
<td>56.0</td>
</tr>
</tbody>
</table>
Table 4. Average mean score and percentage of OCTAPAC culture in Groups A, B and C employees of A. P. S. University, Rewa (M.P.)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Elements of OCTAPAC</th>
<th>A</th>
<th>AMS</th>
<th>%</th>
<th>CAG</th>
<th>B</th>
<th>AMS</th>
<th>%</th>
<th>CAG</th>
<th>C</th>
<th>AMS</th>
<th>%</th>
<th>CAG</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>O = Openness</td>
<td></td>
<td>4.166</td>
<td>79.15</td>
<td>VG</td>
<td></td>
<td>4.541</td>
<td>88.56</td>
<td>VG</td>
<td></td>
<td>3.854</td>
<td>73.35</td>
<td>VG</td>
<td>4.06</td>
</tr>
<tr>
<td>2.</td>
<td>C = Confrontation</td>
<td></td>
<td>3.333</td>
<td>58.33</td>
<td>AV</td>
<td></td>
<td>3.75</td>
<td>68.75</td>
<td>G</td>
<td></td>
<td>2.541</td>
<td>38.53</td>
<td>EP</td>
<td>2.92</td>
</tr>
<tr>
<td>3.</td>
<td>T = Trust</td>
<td></td>
<td>3.333</td>
<td>58.33</td>
<td>AV</td>
<td></td>
<td>4.0</td>
<td>75.0</td>
<td>VG</td>
<td></td>
<td>3.25</td>
<td>56.25</td>
<td>AVG</td>
<td>3.50</td>
</tr>
<tr>
<td>4.</td>
<td>A = Autonomy</td>
<td></td>
<td>3.583</td>
<td>54.58</td>
<td>AV</td>
<td></td>
<td>3.499</td>
<td>52.48</td>
<td>AVG</td>
<td></td>
<td>3.124</td>
<td>53.1</td>
<td>AVG</td>
<td>3.26</td>
</tr>
<tr>
<td>5.</td>
<td>P = Pro-activity</td>
<td></td>
<td>3.666</td>
<td>66.66</td>
<td>G</td>
<td></td>
<td>3.916</td>
<td>72.9</td>
<td>VG</td>
<td></td>
<td>2.791</td>
<td>44.78</td>
<td>P</td>
<td>3.16</td>
</tr>
<tr>
<td>6.</td>
<td>A = Authenticity</td>
<td></td>
<td>4.333</td>
<td>83.33</td>
<td>VG</td>
<td></td>
<td>4.083</td>
<td>77.08</td>
<td>VG</td>
<td></td>
<td>2.708</td>
<td>42.7</td>
<td>P</td>
<td>3.24</td>
</tr>
<tr>
<td>7.</td>
<td>C = Collaboration</td>
<td></td>
<td>4.333</td>
<td>83.33</td>
<td>VG</td>
<td></td>
<td>4.083</td>
<td>77.08</td>
<td>VG</td>
<td></td>
<td>2.708</td>
<td>42.7</td>
<td>P</td>
<td>3.24</td>
</tr>
</tbody>
</table>

Note: VG=Very Good, G=Good, AV= Average, P=Poor, EP= Extremely Poor

Fig. 2. Percentage scores and categories of elements of OCTAPAC culture in different groups of employees in A.P.S. University Rewa (M.P.)

Table 5. Average mean scores, percentage scores and categories of elements of OCTAPAC culture in non-teaching staff of A.P.S. University Rewa (M.P.) INDIA

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Elements of OCTAPAC</th>
<th>AMS</th>
<th>%</th>
<th>CAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>O = Openness</td>
<td>4.06</td>
<td>76.5</td>
<td>Very good.</td>
</tr>
<tr>
<td>2.</td>
<td>C = Confrontation</td>
<td>2.92</td>
<td>48.0</td>
<td>Poor</td>
</tr>
<tr>
<td>3.</td>
<td>T = Trust</td>
<td>3.50</td>
<td>62.5</td>
<td>Good</td>
</tr>
<tr>
<td>4.</td>
<td>A = Autonomy</td>
<td>3.26</td>
<td>56.5</td>
<td>Average</td>
</tr>
<tr>
<td>5.</td>
<td>P = Pro-activity</td>
<td>3.16</td>
<td>54.0</td>
<td>Average</td>
</tr>
<tr>
<td>6.</td>
<td>A = Authenticity</td>
<td>2.72</td>
<td>43.0</td>
<td>Poor</td>
</tr>
<tr>
<td>7.</td>
<td>C = Collaboration</td>
<td>3.24</td>
<td>56.0</td>
<td>Average</td>
</tr>
<tr>
<td>Total</td>
<td>OCTAPAC culture</td>
<td>3.9</td>
<td>57.25</td>
<td>Average</td>
</tr>
</tbody>
</table>
CATEGORIES: EP = Extremely Poor, P = Poor, AV = Average, G = Good, VG = Very Good

Fig 3. Percentage scores and categories of OCTAPAC in culture in employees of A.P.S. University Rewa (M.P.) INDIA

SUGGESTIONS

The humanitarian attitude towards human resources is an organization paves the way for the development of both, the individual and the organization. It is possible through human treatment with employees and help them develop right attitudes. To create a congenial and satisfactory climate, the OCTAPAC culture is of utmost importance. Therefore, suggested that the authorities of university try their best to create such an open environment in the university wherein employees take initiative to show their work; authority is delegated on a much wider scale, employees start viewing the delegated authority as an opportunity for development; and employees discuss their problems openly and try to solve them rather than keep accusing each other behind back. In bringing about such a change in the working environment, particularly seniors will have to play a pivotal role.

Training has the potential to contribute the values of HRD. In order to reap the true benefits out of training programmes, experimental type of training on behavioural subjects should be given to all level of employees. This approach is expected to bring is more value orientation among all the employees in the university.

CONCLUSION

The overall HRD value among the non-teaching staff of the university is average. The employees of the three groups of the university expressed different opinions on HRD value elements. In group A and B the score ranged between averages to very goods. In group C, proactivity and collaboration scored poor while that of confrontation is extremely poor. The remaining elements are either very good or average. With regard to the HRD values and variation in the perception, the finding reveals that there is an inverse correlation in different cadres of employees.

REFERENCES


A STUDY ON MOBILE BANKING SERVICES AND THEIR POTENTIAL SECURITY RISKS

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Mannampatta, Palakkad, India
Email : binduradhakrishnan92@gmail.com

ABSTRACT
Banking is undergoing rapid changes worldwide. The financial sector reforms assumed deregulation, liberalization and globalization of Indian banking have changed the entire cineraria of Indian banking. Advancements in technology continue to transform the lives of banking customers. The banking industry has enjoyed tremendous success in the application of high end information systems and technologies. Technological advances have reshaped the size and nature of the financial industry, allowing it to extend beyond the traditional, brick and motor concept of borrowing and saving. As a result, direct channels such as mobile and the internet are becoming increasingly important in banking. Internet banking, digital wireless banking and mobile banking are an extension of the technological progression that is now the important characteristic of the banking sector. The evolution in technology around touch mode and mobility has enabled the customer bank on the go in a real sense. Mobile banking is available round the clock 24/7/365, it is easy and convenient and an ideal choice for accessing financial services for most mobile phone owners in the rural areas. This study focused mainly on different mobile banking services offered by different banks and the security risks associated with mobile banking.

Keywords: Nationalization; Reforms; Touch Mode; Mobility; Customer Loyalty; Mobile Banking

INTRODUCTION
Banking is undergoing rapid changes worldwide. Till the nationalization, the control of banks was in private hands and only the big business houses and the affluent sections of the society were getting the benefits of the banking in India. Tremendous change was seen in the performance of banks after nationalization. The financial sector reforms assumed deregulation, liberalization and globalization of Indian banking have changed the entire cineraria of Indian banking. Advancements in technology continue to transform the lives of banking customers. As a result, direct channels such as mobile and the internet are becoming increasingly important in banking. The evolution in technology around touch mode and mobility has enabled the customer bank on the go in a real sense. In developed economies, banks operate in highly competitive environments and are increasingly challenged to differentiate through products and pricing. They seek out innovative technologies to help them build a stronger relationship with their customers and increase customer loyalty, while controlling operational costs. This is the key reason that top banks across the globe are investing in mobility. The increased preference for social media by customers is driving banks to leverage social media and social analytics tools to strengthen decision based marketing. At the same time banks are exploring the potential of social media tools for increasing workforce collaboration and productivity. The focus on multi channel integration to provide a seamless experience to customers is as strong as ever.
Mobile banking services are accessible from anywhere in the globe and it gives complete freedom of banking any time on 24x7x365 basis. With mobile banking, you can conduct any financial and nonfinancial transactions effortlessly and securely. SMS alerts for all debits/credits are sent by banks to customers when transfer of money through internet banking. Mobile banking refers to the use of a smart phone or other cellular device to perform online banking tasks while away from your home computer such as monitoring account balances, transferring fund between accounts, bill payment etc. Mobile banking is more secure than online/internet banking. Mobile banking involves the access to, and provision of, banking and finance services through mobile devices. Some banks limit mobile banking services to balance enquiries, transaction alerts and service requests to limit and reduce security vulnerabilities and protect sensitive financial data from falling into the wrong hands.

BACK GROUND OF THE STUDY

Banking is an important concept in the current scenario. It is an inevitable aspect in every one’s life. The mobile banking is needy because of the phenomenal growth of customers and branches. The mobile offers an avenue to the issue of competitive advantage in the face of redefinition of financial services industry. Time has come for banks to bring fundamental change in their strategy to redefine customer banker relationship.

LITERATURE REVIEW

Souranta M, Mattilla M (2004), in their study “Mobile banking and consumer behavior: New insights into the diffusion pattern”, indicates the characteristics of potential subsequent adopters of mobile banking and of differences between user segments. The authors are able to comment on the influence of certain demographic characteristics and the preferred communication modes of customers on the adoption and future usage of mobile banking services.

Yang A S, (2009), in his article “exploring adoption difficulties in mobile banking services” analyses the factors associated with adopting and resisting mobile banking technologies. Adoption factors consist of belief that mobile banking helps to fulfill personal banking needs and provides location free conveniences. The primary factors associated with resistance are concern over system security and basic fees for mobile banking connections.

Sudhakar A M, Suryanarayana, (2011), in their article, “Emerging mobile banking scenario and its adoption in India: A study”, with mobile banking a revolutionary approach to banking transactions has created a strong connectivity between customers and banks as both will transact with minimum cost and in minimum time. They suggest mobile banking is timely and cost effective service.


Van B, Paul, Veloso, Francisco M and Oliveira P, (2012), in their article, “Innovation by users in emerging economies: Evidence from mobile banking services”, examined the extent to which users in emerging economies innovate, and whether these innovations are meaningful on a global stage.

V Raja, Joe A (2012), in their paper, “Global e-banking scenario and challenges in banking system”, explores the various levels of internet banking services provided by banks using the secondary data. It also compares the traditional banking systems with net banking. It lists the advantages of internet banking and security measures adopted by the banks for security in their banking transactions.
OBJECTIVES OF THE STUDY

1. To find out the mobile banking services used by persons in Palakkad district.
2. To find the security risks related to mobile banking.
3. To find out the relationship between gender and usage of mobile banking.
4. To find out the significant difference between security belief of male & female users of mobile banking.

HYPOTHESES

The researcher, for in-depth analysis of primary data, has prepared the following hypotheses.

H₀: There is no significant relationship between gender and usage of mobile banking.
H₀: There is no significant difference between security belief of male & female users of mobile banking.

METHODOLOGY OF THE STUDY

Palakkad district of Kerala state was selected for the study. The required data for study is collected by way of primary and secondary sources. Primary data is collected by way of questionnaire. The secondary data that was needed was collected by referring books, journals, internet etc. The study was conducted by administering the questionnaire among 60 mobile phone users in Palakkad district by way of convenient sampling method. A detailed analysis is made by taking information from the questionnaire. The interpretations of the data are carried out by applying the statistical tools such as simple percentage method and Chi- Square Method.

DATA ANALYSIS AND INTERPRETATION

Table 1. Age wise classification of Respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>No. of Respondents</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 20</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>20 – 40</td>
<td>24</td>
<td>40</td>
</tr>
<tr>
<td>40 – 60</td>
<td>16</td>
<td>27</td>
</tr>
<tr>
<td>Above 60</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>TOTAL</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary data

Table 1 shows age wise classification of respondents. 40 % respondents are in the age group of 20-40.

Table 2. Occupation wise classifications of Respondents

<table>
<thead>
<tr>
<th>Occupation</th>
<th>No. of Respondents</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>17</td>
<td>28</td>
</tr>
<tr>
<td>Employed</td>
<td>29</td>
<td>48</td>
</tr>
<tr>
<td>Unemployed</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Self Employed</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>TOTAL</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary data

Table 2 shows occupation wise classification of respondents. Average of the respondents is employed.
Table 3. Education level of Respondents

<table>
<thead>
<tr>
<th>Education Level</th>
<th>No. of Respondents</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Level</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Secondary</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>Graduate Level</td>
<td>27</td>
<td>45</td>
</tr>
<tr>
<td>Post Graduate Level</td>
<td>16</td>
<td>27</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Primary data

Table 3 shows education level of respondents. Around 75% of respondents are achieved graduation and high qualification.

Table 4. Respondents level of Computer Skills

<table>
<thead>
<tr>
<th>Level of Skill</th>
<th>No. of Respondents</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>Intermediate</td>
<td>19</td>
<td>32</td>
</tr>
<tr>
<td>Advanced</td>
<td>28</td>
<td>47</td>
</tr>
<tr>
<td>Expert</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Primary data

Table 4 shows respondents’ level of computer skill. Average of the respondents has advanced knowledge on computer.

Table 5. Respondents General usage of mobile phones

<table>
<thead>
<tr>
<th>Usage</th>
<th>No. of Respondents</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>60</td>
<td>100</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Primary Data

Table 5 shows respondents general usage of mobile phones. All respondents use mobile phone for general applications.

Table 6. Respondents usage of mobile phones for banking transactions

<table>
<thead>
<tr>
<th>Usage</th>
<th>No. of respondents</th>
<th>% of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>49</td>
<td>82</td>
</tr>
<tr>
<td>No</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Primary Data

Table 6 shows respondents usage of mobile phone for banking transactions. 82% respondents are used mobile phone for their banking activities.

Table 7. Security provided by banks on mobile applications

<table>
<thead>
<tr>
<th>Secured</th>
<th>No. of respondents</th>
<th>% of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>39</td>
<td>65</td>
</tr>
<tr>
<td>No</td>
<td>21</td>
<td>35</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Primary Data
Table 7 shows the security provided by the banks on mobile applications. 65% of respondents’ belief is that their banks offer security for their mobile applications.

Table 8. Receipt of Compensation for losses due to mobile banking fraud

<table>
<thead>
<tr>
<th>Receipt of Compensation</th>
<th>No. of Respondents</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>27</td>
<td>45</td>
</tr>
<tr>
<td>No</td>
<td>33</td>
<td>55</td>
</tr>
<tr>
<td>TOTAL</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 8 shows receipt of compensation in case of mobile banking fraud occurs. Above average of respondents are not received any compensation in case of mobile banking fraud.

Table 9. Level of security provided by online banking

<table>
<thead>
<tr>
<th>Security level</th>
<th>No. of Respondents</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>19</td>
<td>32</td>
</tr>
<tr>
<td>Medium</td>
<td>29</td>
<td>48</td>
</tr>
<tr>
<td>High</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>TOTAL</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 9 shows the level of security provided by online banking to customers. 48% respondents get only medium security for their online banking applications.

Table 10. Actions to be taken to increase mobile banking security

<table>
<thead>
<tr>
<th>Actions</th>
<th>No. of Respondents</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use Antivirus</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>Use Trusted networks</td>
<td>21</td>
<td>35</td>
</tr>
<tr>
<td>Use trusted websites</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Use Trusted applications</td>
<td>18</td>
<td>30</td>
</tr>
<tr>
<td>TOTAL</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 10 shows actions to be taken to increase mobile banking security. They suggest trusted networks and trusted applications increase security of mobile banking usage.

Table 11. While using mobile banking, respondents concern for security

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Security Concern</th>
<th>Scale and Score Value of Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Scale Value</td>
<td>I</td>
</tr>
<tr>
<td>1.</td>
<td>Yes, the main reason that I don’t use it.</td>
<td>F</td>
</tr>
<tr>
<td></td>
<td>FX</td>
<td>35</td>
</tr>
<tr>
<td>2.</td>
<td>Yes, but use any way</td>
<td>F</td>
</tr>
<tr>
<td></td>
<td>FX</td>
<td>95</td>
</tr>
<tr>
<td>3.</td>
<td>No, I trust in my bank services</td>
<td>F</td>
</tr>
<tr>
<td></td>
<td>FX</td>
<td>130</td>
</tr>
<tr>
<td>4.</td>
<td>No, it is unlikely for a security breach to happen</td>
<td>F</td>
</tr>
<tr>
<td></td>
<td>FX</td>
<td>70</td>
</tr>
</tbody>
</table>

Source: Primary Data
Table 11 shows respondents concern for security while their usage of mobile banking. They are all aware about the security risks associated with mobile banking. They all trust the services of their banks.

<table>
<thead>
<tr>
<th>Responsibility Centre</th>
<th>No. of respondents</th>
<th>% of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>Networks</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Websites</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Applications</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>Our self</td>
<td>16</td>
<td>27</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Primary Data

Table 12 shows responsibility of insecurity in mobile banking usage. The main responsibility centers are banks and they himself.

<table>
<thead>
<tr>
<th>Security aspect</th>
<th>Scale and Score Value of Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ranks</td>
</tr>
<tr>
<td>Hackers gaining access to my phone remotely</td>
<td>F</td>
</tr>
<tr>
<td></td>
<td>FX</td>
</tr>
<tr>
<td>Someone intercepting my calls or data</td>
<td>F</td>
</tr>
<tr>
<td></td>
<td>FX</td>
</tr>
<tr>
<td>Losing my phone or having my phone stolen</td>
<td>F</td>
</tr>
<tr>
<td></td>
<td>FX</td>
</tr>
<tr>
<td>Viruses being installed on my phone</td>
<td>F</td>
</tr>
<tr>
<td></td>
<td>FX</td>
</tr>
</tbody>
</table>

**Source:** Primary Data

Table 13 shows respondents most concerned security aspect. All respondents are mostly concerned that hackers gaining access to their phones remotely.

<table>
<thead>
<tr>
<th>Security aspect</th>
<th>Scale and Score Value of Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ranks</td>
</tr>
<tr>
<td>Hackers gaining access to my phone remotely</td>
<td>F</td>
</tr>
<tr>
<td></td>
<td>FX</td>
</tr>
<tr>
<td>Someone intercepting my calls or data</td>
<td>F</td>
</tr>
<tr>
<td></td>
<td>FX</td>
</tr>
<tr>
<td>Losing my phone or having my phone stolen</td>
<td>F</td>
</tr>
<tr>
<td></td>
<td>FX</td>
</tr>
<tr>
<td>Viruses being installed on my phone</td>
<td>F</td>
</tr>
<tr>
<td></td>
<td>FX</td>
</tr>
</tbody>
</table>

**Source:** Primary Data

Table 14 shows respondents’ awareness about mobile banking methods. 60 % of respondents are thought that mobile banking is unsafe.

<table>
<thead>
<tr>
<th>Aspect</th>
<th>No. of Respondents</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safe</td>
<td>24</td>
<td>40</td>
</tr>
<tr>
<td>Unsafe</td>
<td>36</td>
<td>60</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Primary Data

Table 14 shows respondents’ awareness about mobile banking methods. 60 % of respondents are thought that mobile banking is unsafe.

**TESTING HYPOTHESES**

Chi – square test is applied to find the significant relationship between two variables. In Table 15, Gender and usage of mobile banking are the two variables.
Table 15. Relationship between male and female users of mobile banking

<table>
<thead>
<tr>
<th>Gender</th>
<th>Users</th>
<th>Non users</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>27</td>
<td>7</td>
<td>34</td>
</tr>
<tr>
<td>Female</td>
<td>22</td>
<td>4</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>11</td>
<td>60</td>
</tr>
</tbody>
</table>

**Source:** Primary data

**H₀:** The two attributes, Gender and usage of mobile banking are independent.

Degree of freedom : 1
Level of Significance : 5%
Table value at 5% level of Significance : 3.841
Calculated Value : 0.27

**Inference:** The calculated value of Chi-square is less than table value. Hence, Null hypothesis is accepted. This means that there is no significant relationship between male and female users of mobile banking.

In Table 16, gender and security belief of respondents are the two variables.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Security belief of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
</tr>
<tr>
<td>Male</td>
<td>5</td>
</tr>
<tr>
<td>Female</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
</tr>
</tbody>
</table>

**Source:** Primary Data

**H₀:** There is no significant difference between security belief of male and female users of mobile banking.

Degree of freedom : 2
Level of Significance : 5%
Table value at 5% level of Significance : 7.378
Calculated Value : 2.15

**Inference:** The calculated value of Chi-square is less than table value. Hence, Null hypothesis is accepted. This means that there is no significant relationship between security belief of male and female users of mobile banking.

**FINDINGS**

- There is no relationship between gender and usage of mobile banking.
- There is no significant difference between security belief of male and female users of mobile banking.
- All respondents use mobile phone for their general applications.
- 82 % of respondents use mobile phone for their banking activities.
- 65 % of respondents’ belief is that their bank offers security for their mobile banking applications.
- 48 % respondents get only medium security for their mobile banking applications.
Trusted networks and trusted applications increase security of mobile banking.

All respondents concern about the security aspect of mobile banking usage, but they trust their banks.

The main responsibility centers of insecurity in mobile banking usage are banks and users himself.

Respondents mostly concerned that hackers gaining access to their phones remotely.

CONCLUSION

Mobile Banking allows the user to access any time at anywhere. Customers can check balances, statement of information, transfer funds from one account to another etc. Mobile text and alert is the simplest, allowing the user to transfer funds or access account information via text message. For this purpose the bank set their system and it is accessible to anyone using mobile. Mobile banking helps the customer to transact with the help of a mobile phone. So he can avoid his visits to the bank. Mobile banking services accessible from anywhere in the globe provides various banking and financial services under single umbrella and gives complete freedom of banking anywhere anytime on 24x7x365 basis. Through mobile banking, you can keep an eye on your transactions and account balance all the time. This facility also keeps your account safe. This means that by the ease of monitoring your account at anytime, you can get to know about any fraudulent activity or threat to your account before it can pose your account to severe damage.

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A COMPARATIVE STUDY OF EXTRINSIC AND INTRINSIC FACTORS LEADING TO JOB SATISFACTION AMONG MTNL EMPLOYEES IN MUMBAI CITY

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ABSTRACT
Any business activity comprises of five basic resources man, machine, material, methods and money. But amongst all five, man is the most important resource to run business successfully because he is the only factor which can drive the other resources. Several studies in the field of human resource and organisational behaviour have proved a close linkage between success of a business and positive contribution made by the employees towards that organisation. However to achieve this motivation of positive contribution towards the organisation, he should be satisfied with the job. Job satisfaction refers to state of contentment or happiness that an employee derives from his employment. The present study is an attempt to understand whether job satisfaction is a variable dependent of intrinsic factors or extrinsic factors. Statistical tools like pie diagrams, percentages are used.

Keywords: Job Satisfaction; Contribution towards the Organization; Intrinsic and Extrinsic Factors

INTRODUCTION
Job satisfaction refers to the state of contentment or happiness that an employee derives from his employment. This feeling of contentment can be derived from various factors, which can be either intrinsic or extrinsic. A particular aspect of job that might deliver satisfaction to one employee may not provide satisfaction to another and so on. Hence an organisation is required to understand the causes, intensity and impact of job satisfaction. Till 1930s there had been no studies that took place on job satisfaction. However, around 5000 articles on job satisfaction were published in 1970s when it was discovered that the productivity of an employee is also directly related to level of satisfaction that he derives from the job.

REVIEW OF LITERATURE
The current study ‘A comparative study of extrinsic and intrinsic factors leading to job satisfaction among MTNL employees in Mumbai city’ is a relatively contemporary subject. This study has been undertaken with an objective to find out the factors that lead to job satisfaction or dissatisfaction of MTNL employees. Hence, an extensive research work has been conducted to collect primary as well as secondary data for in depth understanding of the topic.

OBJECTIVES OF THE STUDY
1. To study level of job satisfaction of MTNL employees and know their suggestion for enhancing it.
2. To know their opinion regarding the work environment and various infrastructural facilities.
3. To give practical solutions to remove displeasing aspects of the job.

Profile Of MTNL (Mahanagar Telephone Nigam Limited)

MTNL was set up in 1986 to upgrade the quality of telecom services, expand the telecom network and to introduce new services to raise revenue for telecom development. In Mumbai, MTNL started its journey in 1882 in pre-independence era as Bombay Telephone Exchange. MTNL is licensed to provide telecom services in Mumbai, Navi Mumbai, Thane, Mira Bhayendar Municipal areas with a population of about 1.8 crores. MTNL Mumbai is having around 32 lakh telephone connections with a telephone density of 17.26 telephones per hundred population. There are around 1,83,102 PCO’s. MTNL follows the principle of corporate governance. The major components of corporate governance include constitution of Board of Directors, pre-information been reported to and is placed before Board of Directors, proper functioning of audit committee, transparency and desirable disclosures by the company. MTNL has a strong financial base and has shown consistent improvement in performance over the years.

LIMITATIONS OF THE STUDY

1. Since there is a huge employee base and because of limited resources and time constraints available with the researcher, it was practically not possible to cover all the exchanges of MTNL in Mumbai city. Therefore, the research was restricted to the exchanges placed in Western Mumbai suburbs.
2. Non-availability of some of the secondary data.
3. Responses with reservation caused limited co-operation from employees.
4. It was difficult to gather correct responses from the employees and analyse them.
5. The postponements of the responses were time consuming and tiresome due to busy schedule or unwillingness to disclose certain information by the respondents.

HYPOTHESES OF THE STUDY

Null hypothesis: Extrinsic factors play an important role in satisfying MTNL employees in Western Mumbai region.

Alternate hypothesis: Intrinsic factors play an important role in satisfying MTNL employees in Western Mumbai region.

RESEARCH METHODOLOGY

Data Collection

In order to meet the above mentioned objectives, data was collected from primary as well as secondary sources. In order to attain the first hand information, accidental quota sampling method was administered at Telephone Exchanges in Western Mumbai suburbs. A total sample size of 80 respondents was administered with the questionnaire.

Sources of Primary Data

Primary data was collected by administering a questionnaire on a sample size of 80 respondents.

Sources of Secondary Data

Secondary data was collected by visiting various libraries, websites, management schools and universities in the city of Mumbai. Hence, sources of collection of primary data can be sub-categorized in three parts.
Period of the Study
The duration for the study was from 1st June, 2014 till 31st August, 2014.

Statistical Tools
Simple statistical tools like the construction statistical tables, weighted average method percentage and inferences were deduced with the help of pie diagrams.

DATA ANALYSIS
The entire data collected from a sample size of 80 respondents was studied and analysed from two different aspects in order to understand the hypotheses. Firstly, all the respondents and their relationship with job satisfaction was studied considering their personal profile or extrinsic factors of job satisfaction. These parameters included age group, sex ratio, educational level and marital status.

Secondly, relationship of job satisfaction with intrinsic factors of the respondents was studied. These factors include job category, nature of employment, job security and salaries.

The entire data collected was studied in order to understand job satisfaction of the employees in relation to both intrinsic as well as extrinsic factors. It was found that both the factors played an important role in providing job satisfaction to employees. The summary of the data collected is been presented in the table below. Though, there are several parameters that are included in intrinsic and extrinsic factors but the below mentioned table presents a consolidated picture of the data collected.

Table 1. Tabular representation of the factors determining job satisfaction of the respondents

<table>
<thead>
<tr>
<th>Factors</th>
<th>No. of satisfied respondents</th>
<th>Percentage of satisfied respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrinsic</td>
<td>50</td>
<td>62.5%</td>
</tr>
<tr>
<td>Extrinsic</td>
<td>30</td>
<td>37.5%</td>
</tr>
<tr>
<td>Total</td>
<td>80</td>
<td>100%</td>
</tr>
</tbody>
</table>

Diagram 1. Diagrammatic representation of the factors determining job satisfaction of the respondents

The above table depicts that 62.5% of the employees are satisfied with intrinsic factors of job satisfaction whereas only 37.5% of employees feel that extrinsic factors play an important role in job satisfaction.
Table 2. Weighted Average for Satisfaction Level

<table>
<thead>
<tr>
<th>Particular</th>
<th>Satisfied</th>
<th>Neutral</th>
<th>Dissatisfied</th>
<th>Strongly dissatisfied</th>
<th>total</th>
<th>percentage</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company atmosphere</td>
<td>80</td>
<td>192</td>
<td>48</td>
<td>-</td>
<td>320</td>
<td>20.87</td>
<td>2</td>
</tr>
<tr>
<td>Work’s atmosphere</td>
<td>110</td>
<td>104</td>
<td>78</td>
<td>18</td>
<td>310</td>
<td>20.22</td>
<td>4</td>
</tr>
<tr>
<td>Administrative atmosphere</td>
<td>60</td>
<td>136</td>
<td>108</td>
<td>16</td>
<td>320</td>
<td>20.87</td>
<td>2</td>
</tr>
<tr>
<td>Work nature</td>
<td>190</td>
<td>96</td>
<td>48</td>
<td>4</td>
<td>338</td>
<td>22.04</td>
<td>1</td>
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<tr>
<td>Management recognition</td>
<td>75</td>
<td>104</td>
<td>54</td>
<td>12</td>
<td>245</td>
<td>16</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1533</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data

Table 3. Weighted Average For Satisfaction Level Of Employees

<table>
<thead>
<tr>
<th>Particular</th>
<th>Highly agree</th>
<th>Agree</th>
<th>No idea</th>
<th>Disagree</th>
<th>Highly disagree</th>
<th>Total</th>
<th>Percentage</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel satisfied in my work</td>
<td>140</td>
<td>184</td>
<td>12</td>
<td>4</td>
<td>-</td>
<td>340</td>
<td>17.97</td>
<td>1</td>
</tr>
<tr>
<td>I feel free in my job</td>
<td>80</td>
<td>216</td>
<td>18</td>
<td>8</td>
<td>-</td>
<td>322</td>
<td>17.02</td>
<td>4</td>
</tr>
<tr>
<td>I have full requirement to perform my job</td>
<td>170</td>
<td>96</td>
<td>60</td>
<td>-</td>
<td>2</td>
<td>328</td>
<td>17.33</td>
<td>3</td>
</tr>
<tr>
<td>I understand my colleagues</td>
<td>50</td>
<td>120</td>
<td>72</td>
<td>28</td>
<td>2</td>
<td>272</td>
<td>14.37</td>
<td>6</td>
</tr>
<tr>
<td>I do my work without fear</td>
<td>90</td>
<td>152</td>
<td>36</td>
<td>16</td>
<td>4</td>
<td>298</td>
<td>15.75</td>
<td>5</td>
</tr>
<tr>
<td>Good morale is maintained in this company</td>
<td>180</td>
<td>88</td>
<td>60</td>
<td>4</td>
<td>-</td>
<td>332</td>
<td>17.56</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1896</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data

VALIDITY OF HYPOTHESES

Hypothesis 1 Null hypothesis: Extrinsic factors play an important role in satisfying MTNL employees in Western Mumbai region.

Since, only 37.5% employees are satisfied due to extrinsic factors, it proves that the above hypothesis stands rejected. Therefore, the alternate hypothesis is accepted.

FINDINGS AND DISCUSSIONS

1. It is being observed that job satisfaction in an organization depends upon extrinsic and intrinsic factors. Extrinsic factors are factors in an organization that cannot be changed. As compared to this, intrinsic factors are a part of the organization and can be easily changed depending on the organization’s management.
2. This research paper proves that employees in Western Mumbai region of MTNL are more satisfied with intrinsic factors of job satisfaction as compared to extrinsic factors since they directly govern the growth and development of an employee in an organization.

3. Majority of the employee (47.50) is in the labour grade

4. 62.5 per cent of the respondents are neutral in their satisfaction level in the work spot.

5. It is evident that the nature of work of 42.5 per cent of the respondents’ punctuality is considered for ranking.

6. 45.5 per cent of the respondents exposed the whole hearted co-operation of the manager in their skill development.

SUGGESTIONS

1. Every organization should have periodical reviews of job satisfaction in them to understand the ratio of satisfied and dissatisfied employees.

2. Organizations should make an attempt to understand the factors of job satisfaction which govern employees so that appropriate measures can be taken by the organization to promote them.

3. Organizations should try and improve the factors of job satisfaction governing employees. This in turn will help in motivating the satisfied employees further and will result in organization’s growth and development.

4. Majority of the employees are not satisfied with the organizations promotion policies, if organization focuses on the promotion activities they can get more number of satisfied employees.

5. Some of the employees are not satisfied with the welfare facilities so organization focus on the welfare facilities fully satisfied the employee’s needs.

CONCLUSION

Job satisfaction plays an important role in the organization’s growth. The more the satisfied employee, the better will be its chances of growth development of the organization. An in-depth study of the factors which lead to job satisfaction will enable the organization to understand the factors that drive satisfaction within its own employees. This information can then be used by the management to focus more on factors which govern job satisfaction to a greater extent since this in turn will play an important role in the organization’s growth and future.

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ABSTRACT

Knowledge management is the creation and subsequent management of an environment which encourages knowledge to be created, shared, learnt, enhanced, organised and utilised for the benefit of the organisation and its customers. Knowledge management is an planned and on-going management of activities and processes for leveraging knowledge to enhance competitiveness through better use and creation of individual and collective knowledge resources. Knowledge management is the systematic management of an organisation’s knowledge assets for the purpose of creating value and meeting tactical & strategic requirements; it consists of the initiatives, processes, strategies, and systems that sustain and enhance the storage, assessment, sharing, refinement, and creation of knowledge.

Knowledge management can play an important role in exploits existing knowledge assets by redeploying them in areas where the firm stands to gain something through promoting a long term focus on developing the right competencies and skills and removing obsolete knowledge in order to enhances the firm’s ability to protect its key knowledge and competencies from being lost and also enhances the firm’s ability to innovate. Knowledge management efforts typically focus on organisational objectives such as improved performance, competitive advantage, innovation, the sharing of lessons learned, integration and continuous improvement of the organisation.

The objective of this research paper is present the overview of knowledge management. It looks at a range of strategies, principles and other perspectives which can be used to help capture, transfer, share and create knowledge. The purpose of the study is to collecting the information or knowledge about the different approaches, various principles related to knowledge management through different manager, experts of organization and HR promoters' point of view by using different strategies.

We have seen that different number of HR organisations use the concept of knowledge management in the organization to maintain and improve their workforces. Today, organisations are more integrate and familiar regarding the valuable contribution of knowledge management in the success of organisation. However we also discovered that companies, to enhance the knowledge of their workforce, use the knowledge management as a strong weapon or equipment within organization.

Keywords: Knowledge Management; Approaches of KM; KM Principle; KM Strategies; KM Strategy Implementation Process

INTRODUCTION

The origins of knowledge management can be traced back to the late 1970s. Everett Rogers and Thomas Allen’s work in information transfer laid the foundation to the concept of how knowledge is created, implemented, and integrated throughout an organization. In the 1980s, knowledge became a focus point to increasing the competitive edge for companies. The primary object during this time was improving business in general. In the 1990s, knowledge management was introduced into mainstream
business management publications. Authors like Tom Stewart, Ikujiro Nonaka, and Hirotaka Takeuchi brought formality to the managing of knowledge.

In the mid 1990’s, the Internet became the channel where knowledge management expanded greatly. The history of knowledge management has many prominent theorists like Karl Wiig, Peter Drucker, and Paul Strassmann. From information technology to improving how an organization learns, knowledge management started in many areas of business. Knowledge management has a history of producing the kind of change businesses desire in terms of improving the communication of knowledge in order to achieve successful outcomes.

Today, knowledge management has many applications and is useful in most any discipline in an organization. In order to comprehend knowledge management, it is necessary to first understand the concept of knowledge. Knowledge is defined as “the fact or condition of knowing something with a considerable degree of familiarity through experience, association or contact.” In general, there are two types of knowledge: tacit knowledge and explicit knowledge.

Knowledge management (KM) is the set of systematic and regimented actions that an organization can take to attain the maximum value from the knowledge available to it. KM is the process of selectively applying knowledge from previous experiences of decision-making to current and future decision making activities with the express purpose of improving the organization’s effectiveness.

Bixler & Stankosky defines that Knowledge Management is a systematic, explicit and deliberated building processes required to manage knowledge, the purpose of which is to maximize an enterprise’s knowledge related effectiveness and create values.

Nonaka and Takeuchi defined that Knowledge management is the process of applying a systematic approach to the capture, structuring, management, and dissemination of knowledge throughout an organization to work faster, reuse best practices, and reduce costly rework from project to project.

Therefore, knowledge management is about applying the collective knowledge of the entire workforce to achieve specific organisational goals. The aim of knowledge management is not only necessarily to manage all knowledge, just the knowledge that is most important to the organisation. It is about ensuring that people have the knowledge they need, where they need it, when they need it – the right knowledge, in the right place, at the right time.

REVIEW OF LITERATURE

James Robertson (2004) concluded that developing a knowledge management strategy provides a unique opportunity to gain a greater understanding of the way the organisation operates, and the challenges that confront it. By focusing on identifying staff needs and issues, activities and initiatives can be recommended with the confidence that these will have a clear and measurable impact upon the organisation.

Adam Shackelford and Peter Y.T. Sun (2009) found that the research surrounding the identification of the knowledge management strategy being used within the organisation had found an implemented codification strategy as its dominant knowledge strategy. Therefore, more research will have to be undertaken to ascertain the extent of misplaced knowledge management strategies within organisation and that developing a strategy that caters best for that knowledge type will provide for effective investment of resources.

William R. King (2009) found that Knowledge management is a set of relatively new organizational activities that are aimed at improving knowledge, knowledge-related practices, organizational behaviours and decisions and organizational performance. KM focuses on knowledge processes – knowledge creation, acquisition, refinement, storage, transfer, sharing and utilization. These processes support organizational processes involving innovation, individual learning, collective learning and collaborative decision making. The “intermediate outcomes” of KM are improved organizational
behaviours, decisions, products, services, processes and relationships that enable the organization to improve its overall performance.

Abd. Rahman Ahmad and Mohammad Talha(2008) conclude that The knowledge management strategy process should be carefully implemented and applied in the organizations. An organization should consider and evaluate the internal and external environment when selecting KM strategy. This is because different situations require different strategies to deal with the strategic management process when the organization intends to implement KM successfully. Analysis needs to be conducted from time to time, and organization needs to carefully select the right process to be implemented.

OBJECTIVES OF STUDY

1. To describe the concept of knowledge management.
2. To define the different approaches of knowledge management.
3. To describe the different principle of knowledge management.
4. To define the different knowledge management strategy.
5. To define the KM strategy implementation process.

Approaches to Knowledge Management

In an organisation, at the time of establishing an organizational knowledge management strategy one of the most common and important consideration towards the types or orientation which it will have. These strategies can be defined along two different dimensions, System and Human Oriented.

System approach: The System approach reflects a systems orientation or focus in terms of Knowledge Management. The strategy as per this dimension emphasise on coded knowledge in knowledge management processes and Focus on codifying and storing knowledge via information technology. It made an Attempt to share knowledge formally. This approach emphasizes the capability to help create, store, share and use an organization’s explicitly documented knowledge. Codified knowledge is more likely to be reused.

Human approach: The Human approach reflects a human orientation or focus in terms of Knowledge Management. The strategy Focus on acquiring and sharing knowledge with the help of experienced and skilled people through interpersonal interaction. It helps share knowledge through person-to-person contacts, social networks. It made an Attempt to share knowledge informally.

Principle of Knowledge Management

Knowledge is a Valuable Asset: - This Knowledge management principle is based on the idea that knowledge is a valuable asset that should be managed as capital assets. It is clearly define that knowledge is a valuable part of an organization. So it is clear that teams are expected to manage and protect knowledge.

Knowledge seeks community: - This is another important principle of Knowledge management which state that knowledge relate or seeks community. It describe that Communities of knowledge are so powerful that they now involve people in conversation with each other all over the world. The value of knowledge depends on communication and socialization. The creation, assessment and improvement of knowledge are largely a social process.

Knowledge keeps changing: - This is another one of the most important principle of knowledge management. Which paying attention towards the flexibility of knowledge.it state that the patterns of knowledge are always changing. There is no final solution in knowledge management. The only best solution for the situation is one that keeps things moving along while keeping options open. There are always try different approaches in time to time.
Knowledge is Accessible: - This principle states that the Knowledge is more valuable when it's accessible from a wide environment. Privacy and confidentiality prevent most organizations from sharing all knowledge. However, it's important to set the expectation that a valid reason is required to restrict access.

You cannot impose rules and systems: - This KM principle states that if knowledge is truly self-organizing, the most important way to advance it is to remove the barriers to self-organization. In a supportive environment, knowledge will take care of itself. It is a wasteful effort when we create guidelines, rules or systems that no one cares about or supports.

Knowledge is self-organizing:- This is another one of the most important principle of knowledge management which describe that in every day, knowledge is created, sustained and renewed in an organization. Knowledge has its own life. It is a self-organizing entity. The self that knowledge organizes around is organizational or group identity and purpose.

Work Produces Knowledge: - This KM principle describe that every work, program, project, process and initiative is generate knowledge. In some organizations, every meeting is expected to generate knowledge.

Knowledge management is expensive: - As we discuss in earlier principle, Knowledge is a valuable asset. But this principle said that its effective management requires investment in other assets. There are many particular knowledge management activities requiring investment of money which includes Knowledge capture, employee education for the creation, sharing, and use of knowledge and Developing information technology infrastructures for the distribution of knowledge.

Knowledge management require knowledge manager: - Knowledge won't be well-managed until some group within a firm has clear responsibility for the job. Because Key business resources like labour and capital have require their management. So that the tasks that such a group might perform are collecting and categorizing knowledge, establishing a knowledge-oriented technology infrastructure, and monitoring the use of knowledge. Several professional services firms already have knowledge management roles in place.

Knowledge management requires a knowledge contract: - This knowledge management principle describe that the Knowledge management requires a knowledge contract because employees move more quickly to new jobs and new organizations; to handle these situation few firms have done a good job of extracting and documenting any employee's knowledge in the past. In most organizations it is not clear that who owns or usage the rights of employee knowledge. So this principle said that companies must clarify who owns and rights to employee knowledge and the more attention should pay towards the legalities of knowledge management.

Knowledge management never ends: -This is another one of the most important principle of knowledge management which describe that the tasks of knowledge management are never ending. Because the categories of required knowledge are always changing. New technologies, management approaches, regulatory issues, and customer concerns are always emerging. Companies change their strategies, organizational structures, and product and service continuously.

Knowledge management strategies: - Knowledge management strategies are the formal processes and structures firms employ to collect, interpret, and internalize knowledge. Knowledge strategy may include considerations about the future knowledge needs and a plan for filling the gaps between current knowledge and required knowledge. Most knowledge management practitioners share a common view on the theory and practice of ‘strategy’. Hansen et al. (1999) said that most organizations focus primarily on one or the other of two broadly defined KM strategies “codification” or “personalization”.

The codification strategy is associated with the understanding of knowledge management in the artefact oriented perspective and it provides high-quality, reliable, and fast information-systems, implementation by reusing codified knowledge. The codification strategy has the objective to collect
knowledge, store it in databases, and provide the available knowledge in an explicit and codified form
such a reuse of explicit knowledge and solutions can save time and money. The codification strategy is
assumed to be successful for these companies whose business strategy requires reusing existing
knowledge.

The personification strategy can be related to the process oriented perspective. The personalisation
strategy is focus on tacit knowledge, addresses the storage of knowledge in human minds and its
transfer through a person-to-person interface. It provides creative, analytically rigorous advice on high-
level strategic problems by channelling individual experience. In other words, personalization strategy
is not focus to store knowledge, but it uses the Information Technology to help people communicate
their knowledge. The objective of the personalization strategy is to transfer, communicate, and
exchange knowledge via knowledge networks such as discussion forums.

We will also discuss some other strategies which are beyond these two strategies and which are also
most widely quoted and accepted and we will also examine various knowledge management strategies
that have been proposed and also consider how they can be classified and propose how we can select a
suitable knowledge strategy. The main difference between the various approaches in knowledge
strategy is that they emphasize different aspects of KM; some strategies focus on the knowledge, others
on the business processes/areas, and others on the end results.

Classification on the basis of Knowledge

Nonaka & Takeuchi’s Knowledge Matrix: - Nonaka & Takeuchi’s (1995) was give one of the most
widely quoted model of classifying knowledge regarding a Knowledge management perspective. The
“knowledge matrix” proposed by Nonaka & Takeuchi has been widely accepted and widely quoted.
This matrix classifies knowledge as individual or collective, and as either explicit or tacit. For
Knowledge management thinkers, some of the most influential and helpful classifications are based on
a combination of knowledge accessibility (i.e. where is the knowledge stored and in what form?) and
knowledge transformation (i.e. the flow of knowledge from one place to another).

Boisot’s I-Space Model: - Another knowledge based model was I- space. It was developed by
Boisot’s. Boisot (1998) proposes a model of knowledge asset development along similar lines to that
of Nonaka and Takeuchi knowledge matrix model. An extra dimension was introduced by Boisot's I-
Space model (abstraction, in the sense that knowledge can become generalised to different situations).
Boisot develops an interesting application of the laws of thermodynamics. In this model , knowledge
assets can be located within a three dimensional space defined by three axes from "uncodified" to "codified", from "concrete" to "abstract" and from "undiffused" to "diffused".

Scanning: - insights are gained from generally available (diffused) data.

Codification -Problem Solving: - problems are solved giving structure and coherence to these
insights (knowledge becomes 'codified').

Abstraction: - the newly codified insights are generalised to a wide range of situations (knowledge
becomes more 'abstract').

Diffusion: - the new insights are shared with a target population in a codified and abstract form
(knowledge becomes 'diffused').

Absorption: - the newly codified insights are applied to a variety of situations producing new learning
experiences (knowledge is absorbed and produces learnt behaviour and so becomes 'uncodified’ or ‘tacit').

Impacting: - abstract knowledge becomes embedded in concrete practices, for example in artefacts,
rules or behaviour patterns (knowledge becomes 'concrete').
Classification on the basis of Business Process

APQC and Wiig model: - It was the Another KM model which was developed by APQC (American Productivity and Quality Center) and Wiig. This model was based on the Business Process and also one of the most widely accepted KM models. The APQC (American Productivity and Quality Center) and Wiig identified six emerging KM strategies which are as following.

Knowledge Strategy as Business Strategy: - A comprehensive, enterprise-wide approach to KM, where knowledge is seen frequently as the product.

Intellectual Asset Management Strategy: - Focuses on assets already within the company that can be more fully exploited or enhanced.

Personal Knowledge Asset Responsibility Strategy: - Encourage and support individual employees to develop their skills and knowledge as well as share their knowledge with each other.

Knowledge Creation Strategy: - Emphasises the innovation and creation of new knowledge through R&D. Adopted by market leaders who shape the future direction of their sector.

Transfer Strategy: Knowledge - Transfer of knowledge and best practices in order to improve operational quality and efficiency.

Customer-Focused Knowledge Strategy: - Aims to understand customers and their needs and so provide them with exactly what they want.

Day and Wendler model: - Another KM model which was also based on business process present by the Day and Wendler of McKinsey & Company. The identified five knowledge strategies employed by large corporations are as following:-

Developing and Transferring Best Practices:- This strategy is also similar to the "Knowledge Transfer Strategy" identified by Wiig and the APQC regarding some point and the point is that this strategy also focuses on identifying best practices within an organisation and spreading them across a dispersed network of locations.

Creating a new industry from embedded knowledge: - This approach is to recognise that an organisation may have knowledge, which it can exploit in new ways. In particular, it may have built up knowledge about its customers, which reveals a gap in the market for a new product.

Shaping Corporate Strategy around knowledge: - The knowledge strategies for these groups can be different. This strategy was identified from the experiences of Monsanto, which encompassed two very different business groups: a chemicals group and a life sciences group. The chemicals group was focused on best practice while the life sciences group was an innovation-based business. The knowledge strategies for these two groups were perceived to be so different that Monsanto decided to sell off the chemicals group and concentrate on the life sciences business. This is an interesting example of the tensions between two very different KM strategies.

Fostering and Commercialising Innovation: - Similar to the Knowledge Creation Strategy identified above, this strategy focuses on establishing a competitive position by increased technological innovation and reduced time to market.

Creating a standard by releasing proprietary knowledge: - The most suitable example is Netscape who responded to the rapid decline of its market share in the internet browser market by making its source code publicly available at no cost. The strategy is an example of the "Intellectual Asset Management Strategy" identified by Wiig and the APQC study. In this case, Netscape felt that it could capitalise on a key asset (its source code) by giving it away. In return, it hoped to establish its browser as a widely used standard and gain indirectly, by securing its share of a complementary product, namely: server software.
Classification on the basis of End Result

**Treacy & Wiersema's Three Value Disciplines:** Treacy and Wiersema proposed one approach which focuses on organisation's activities. The name of this approach is "three value disciplines". According to this approach a successful organisations concentrate their efforts on a particular area and excel at it, rather than trying to be all things to all people and failing to excel at anything. The three areas are: Customer Intimacy, Product Leadership, and Operational Excellence. These value disciplines reflect the fact that 'value' is determined as a trade-off between convenience, quality and price. It is the inherent tension between these three qualities of a product that makes it necessary for an organisation to focus on excelling at just one of them.

**Zacks knowledge Strategy:** Michael Zacks (1999) was proposed another approach for the purpose of identifying an appropriate KM strategy. ‘Zack’ proposed framework helps the organisation to make an explicit connection between its competitive situation and a knowledge management strategy. He makes it clear that while each organisation will find its own unique link between knowledge and strategy, any such competitive knowledge can be classified on a scale of innovation relative to the rest of the particular industry as:

- **Core knowledge** is a basic level of knowledge required by all members of a particular industry. It does not represent a competitive advantage, but it is simply the knowledge which is needed to perform all the function related to concerned sector. **Advanced knowledge** gives an organisation a competitive edge. It is specific knowledge that differentiates an organisation from its competitors by applying knowledge in different ways.

- **Innovative knowledge** is that which enables a company to be a market leader. It allows an organisation to change the way a sector works and represents a significant differentiating factor from other organisations.

**KM strategy implementation process**

The seven main steps for a KM strategy implementation programme are as following.

- **Align Knowledge Management strategy with business strategy:** This is the first step or the starting point for any KM programme. Under this steps an organisation aligning its knowledge management strategy with its business strategy. They are doing this because the knowledge drives strategy and business strategy sets the lines for KM strategy. It is clear that every company has its own business strategy. In order to establish the KM strategy and align it with its business strategy, the company should analyse the environment within which it operates. Moreover, company can specify its KM strategy by deciding on how it will use the existing knowledge to create a competitive advantage.

- **Audit and analyse existing knowledge:** A knowledge audit generally refer a survey which considers many elements such as a company’s knowledge assets and communication, its organisational cultural, KM opportunities and deficiencies, gaps and problem areas. The two main elements of knowledge audit are knowledge mapping and knowledge flow. Knowledge mapping is locating knowledge throughout the organization and in other side the knowledge flow examining how people process the data, information and knowledge.

- **Analyse existing infrastructure:** Another important step of KM implementation process is the analysis of the existing technology base in order to give support to all knowledge management processes in the company. Here, the infrastructure should be analysed from the perspective of knowledge generation and acquisition, storage, access and communication.

- **Build a Knowledge Management team:** In an organisation, the knowledge strategy should be implemented by a group of experts rather than a single person. The group of experts should comprise from different hierarchical levels of the organization. The optimal size of the group would be 4-6 members and its composition should include a senior management representative, human resources
manager, IT expert, a marketer or a sales person, a financier and finally, the knowledge manager and the KM expert.

**Develop the Knowledge Management system:** - In this step a KM system is developing. One of the important issues for developing a KM system is to build it around people, to serve their needs and support them in their daily work. For developing an effective KM system the KM team should consult with all the organization’s departments and hierarchical levels. The KM system should be in line with the KM strategy and build upon the existing infrastructure.

**Deploy the Knowledge Management system:** - This part of knowledge strategy implementation process. The main focus is going towards some main obstacles, which the KM deployment will face and the system resistance to change. To overcome such obstacles it is critical that the KM system deployment will have the full support of the company top management.

**Evaluate the results:** - The final step of KM implementation process in which the entire work has done during this process has evaluated. Who will perform this evaluation depends on the organizational culture and the internal dynamics of the company. A good cooperation between the evaluator and the deployment teams are highly desirable. Most of the Knowledge Management experts said that the evaluation stage should not be treated as the finishing point of the KM initiative. They said that it will take as a feedback which will give input for better planning and the implementation of a new KM initiative.

**CONCLUSION**

This research paper concluded with an in-depth look at knowledge management and its strategy and identified a number of alternative strategies and recommendations for the implementation of a knowledge management strategy. The concepts, principles, different approaches, models and views identified from the literature served as a guide in conduct of the research. Knowledge management is a set of relatively new organizational activities that are aimed at improving knowledge, knowledge-related practices, organizational behaviour and decisions and organizational performance. KM focuses on knowledge processes – knowledge creation, acquisition, refinement, storage, transfer, sharing and utilization. These processes support organizational processes involving innovation, individual learning, collective learning and collaborative decision making. The “intermediate outcomes” of KM are improved organizational behaviour, decisions, products, services, processes and relationships that enable the organization to improve its overall performance.

This research are further explore that today almost every HR organizations uses the concept of knowledge management in order to maintain and increases knowledgeable workforce within their organisations through creating and sharing of knowledge.

**REFERENCES**


ABSTRACT

One of the most important factors in human resource management is compensation management. The soundness of compensation management depends upon the amount of wage or salary paid to an employee for a fair day's work. Despite the conclusions of morale studies, wage or salary is significant to most of the employees as it constitutes a major share of their income. Fringe benefits are those benefits which are provided by an employer to or for the benefit of an employee and which are not in the form of wages, salaries and time-related payment. Thus, fringe benefits are those monetary and non-monetary benefits given to the employees during and post-employment period which are connected with employment but not to the employees' contributions to the organization.

In this research paper, an attempt has been made to analyze the policies concerned with the remuneration and fringe benefits and satisfaction status of non-teaching staff of APS University Rewa. The hypothesis of this research works the prevailing policies and practices of remuneration and fringe benefits of the university are congenial and there is a high degree of satisfaction in relation to salary and fringe benefits. Result indicates that the satisfaction score in relation to remuneration and fringe benefits appears average for group A, very good for group B, and extremely poor for group C. The overall score of the university is extremely poor/unsatisfactory. Therefore, the hypothesis stands rejected.

Keywords: University; Non-Teaching; Remuneration; Fringe Benefits; Satisfaction

INTRODUCTION

One of the most important factors in human resource management is compensation management. The soundness of compensation management depends upon the amount of wage or salary paid to an employee for a fair day's work. Despite the conclusions of morale studies, wage or salary is significant to most of the employees as it constitutes a major share of their income (Pigros and Myers, 1977). "Pay in one form or another is certainly one of the main springs of motivation in our society" (Mason et. al. 1963). Salary provides more than a means of satisfying the physical needs - it provides recognition, a sense of accomplishment and determines social status. Hence, formulation and administration of sound remuneration policy to attract and retain right personnel in right position is the prime responsibility of any organization.

Management has to formulate and administer the salary policies on sound lines as (i) most of the employees' satisfaction and work performance are based on pay; (ii) internal inequalities in pay are more serious to certain employees; (iii) employees compare their pay with that of others; (iv) employees react only to gross external inequities; (v) employees comparisons of pay are uninfluenced by levels of aspirations and pay history; and (vi) employees compare the pay of different employee with their skill, knowledge, performance etc (Balcher, 1964). In this research paper, an attempt has
been made to assess the policies concerned with the remuneration system and satisfaction status of non-teaching staff of APS University Rewa (M.P.).

The term fringe benefits refer to various extra benefits provided to employees, in addition to the compensation paid in the form of wage or salary. Balcher (1961) defines these benefits as, “any wage cost not directly connected with the employees productive effort, performance, service or sacrifice.” Cockmar (1975) defines fringe benefits as, “those benefits which are provided by an employer to or for the benefit of an employee and which are not in the form of wages, salaries and time-related payment”.

According to Mamoria (1997) “Fringe benefit is primarily a means in the direction of ensuring, maintaining and increasing the income of the employee. It is a benefit which supplements the income of the employee. It is a benefit which supplements to a worker’s ordinary wages and which is of value of them and their families in so far as it materially increases their retirement.”

Thus, fringe benefits are those monetary and non-monetary benefits given to the employees during and post-employment period which are connected with employment but not to the employees contributions to the organization.

The important objectives of fringe benefits are: to create and improve sound industrial relations; to boost up employees morale; to motivate the employees by identifying and satisfying their unsatisfied needs; to provide qualitative work environment and work life; to provide security to the employees against social risks like old age benefits and maternity benefits; to protect the health of the employees and to provide safety to the employees against accidents; and to promote employee's welfare by providing welfare measures like recreation facilities (Subba Rao and Rao 1998).

In this research paper, an attempt has been made to analysed the policies concerned with the remuneration and fringe benefits and satisfaction status of non-teaching staff of APS University Rewa.

REVIEW AND LITERATURE

The primary economic reward is sometimes also known as compensation or remuneration and paid in the form of wages or salaries. The non-wage financial payments are known as fringe-benefits or supplemental pay (Kumar, 2000). The target organization reflects a poor image of reward and welfare system. Therefore, a reward system capable of identifying good performance for non performance must be designed. Budhwar (1996) in his study has specified that 70.1 % organisations offer incentive schemes for their employees. In 48.1 % of the organisations pay and benefits are attached to the performance, skills or competencies of the employees.

Kharbanda (1986), and Appa Rao (1988) confirm that money as an incentive can influence the job behaviour of employees and will motivate the workers. The money provides a symbolic value as a measure of recognition for accomplishment, status and place in the society. But the effect may be negative, when (i) The material needs are minor in his need hierarchy, (ii) The individual feels that he is unfairly rewarded for his efforts, and (iii) peripheral factors are not satisfied. Many a times the wages are decided on cognitive factors stitch as education, seniority and length of service. Thus, the compensation is paid according to who a person is rather than what a person does. But it is difficult to measure work performance for equity based payment i.e. pay for performance.

Ghazanfar et.al. (2011) examined the relationship between satisfaction with compensation and work motivation. The main finding of study was: satisfaction and compensation can be factor of work motivation, flexible pay is not a motivation factor in the job with the employee holding; benefits do not have a significant impact on work motivation. Suresh Kumar and Aparna (2012) The showed that it professionals are very much dissatisfied with fringe benefits, nature of work and contingent reward, while moderately satisfied with pay promotion and supervision factors.

Malik (2013) Shows those ad-hoc basic faculties are highly dissatisfied regarding salary/leave benefits, job security, research support and facilities, career advancement. Sharma (2013) revealed that a significant difference exists in the motivation level of the employee with regards to various compensation components- Basic salary, short and long term incentives, benefits and services.
OBJECTIVES

1. To study the overall satisfaction with remuneration and fringe benefits among non-teaching staff of the university.
2. To assess the variations in satisfaction with remuneration and fringe benefits in different group of employees of the university.

HYPOTHESIS

The hypothesis of this research works the prevailing policies and practices of remuneration and fringe benefits of the university are congenial and there is high degree of satisfaction in relation to salary and fringe benefits.

METHODOLOGY

This study is confined only to non-teaching staff of APS University Rewa (M.P.) . The study is based on primary data. The source of primary data is the responses of the employees obtained through questionnaire. The technique of interview and discussion has also been used as one of the diagnostic tool. To analysed the remuneration and fringe benefits in A.P.S. University Rewa questionnaires distributed among the various cadres of group A, B and C employees that is administration, supervisor and Assistant. The scoring has been obtained on a five point scale. In order to make the interpretation easier the mean score were converted into percentage score using the formula of Rao (1991) i.e.

\[
\text{Percentage score} = (\text{Mean Score} - 1) \times 25
\]

The degree of dimension have been divided into very good, Good, Average, Poor, Extremely poor.

RESULT

Satisfaction analysis with Relation to Salary & Fringe benefits:

The Table 1 and Fig.1,2& 3 under reference shows mean score and percentage of the group A, B, C and overall employee satisfaction based on salary & fringe benefits. The satisfaction on salary appears to be extremely poor (26.75%). The mean score and percentage has been calculated at 3.333 (58.33%) for group A, 3.9(72.5%) for group B, 2.125(28.13%) for group C. The mean score and percentage of overall satisfaction with salary has been computed at 2.07 (26.75%). The employees satisfaction on fringe benefits appears to be extremely poor (38.5%). The mean score and percentage has been calculated at 2.833 (45.83%) for group A, 3.5 (62.5%) for group B, 2.125 (28.13%) for group C.

The mean score and percentage of average overall satisfaction with salary and fringe benefits has been computed at 2.325 (32.63%). The mean score and percentage has been calculated at 3.083 (52.08%) for group A, 3.7 (67.5%) for group B, 2.125 (28.13%) for group C.

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Groups / Factors</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Salary</td>
<td>MS</td>
<td>3.333</td>
<td>58.33</td>
<td>CAG</td>
</tr>
<tr>
<td>2</td>
<td>Fringe Benefits</td>
<td>2.833</td>
<td>45.83</td>
<td>P</td>
<td>3.5</td>
</tr>
</tbody>
</table>
Fig 1. Satisfaction Percentage and Categories of different Groups of Employees with Relation to Salary

Fig 2. Satisfaction Percentage and Categories of different Groups of Employees with Relation to Fringe benefits

Fig 3. Average Satisfaction Percentage and Categories of different Groups of Employees with Relation to Salary & Fringe benefits
CONCLUSION

Result indicates that the satisfaction score in relation to remuneration and fringe benefits appears average for group A, good for group B, and extremely poor for group C. The overall score of the university are extremely poor/ unsatisfactory. Therefore the hypothesis stands rejected.

REFERENCE

A COMPARATIVE ANALYSIS OF CONSUMER ELECTRONICS COMPANIES WITH REFERENCE TO SEARCH ENGINE MARKETING

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Research Scholar, Acharya Bangalore B School, Bangalore, India
Email: professoranilr@gmail.com

Dr. S. Radha²
Regional Director, IGNOU, India
Email: dr_radha_s@yahoo.com

ABSTRACT
Search engine marketing (SEM) is a form of digital or Internet marketing that includes promotion of websites through keywords usage by increasing their visibility in search engine result pages through advertising and optimization. SEM uses search engine optimization that recodes webpage and rewrites website content to gain competitive edge in internet marketing by achieving higher ranking in search engine results pages or use pay per click listings. Search engines such as Bing, Yahoo, and Google etc are important source which acts as interface between consumers and manufacturers. In this paper we explore what are the leading consumer electronics companies in India and World, and in what ways they have competitive edge in Internet World.

Keywords: Search Engine Marketing; SEM; Digital Marketing; Internet Marketing; Consumer Electronics; Website Ranking

INTRODUCTION
Consumer Electronics are electronic equipment intended for everyday use, most often in entertainment, communications and office productivity. Consumer Electronics products are televisions, MP3 players, video recorder, DVD players, digital cameras, satellite radios, camcorders, personal computers, tablets, smart watches, video game consoles, telephones, mobile phones, etc. The largest consumer electronics companies are mostly from United States and to lesser extent South Korea and Taiwan.

India is considered to be one of the top markets for consumer electronics in the World. According to Accenture (Consulting firm) report (ref: Jan 6, 2014, economic times) India is poised to become a significant market for wearable technology like smart watches and fitness monitors influenced by consumer electronics in these trendy gadgets and growing spending on consumer durables.

Global Consumer electronics companies consider India as a good investment destination because of its growing young population, rising income levels, changing lifestyles. Rapid urbanization has also lead to significant increase in culture of consumerism in this country. India is now the third largest country in terms of purchasing power parity (PPP) and is expected to become one of the largest consumer markets by the end of this decade according to EY’s attractiveness survey INDIA 2014 report.

The Accenture report based on Digital consumer Tech Survey 2014, respondents from India were more interested in buying consumer electronics like fitness monitors, smart watches, Internet-enabled eyeglasses, Smartphone, high definition TV, tablet PC and laptop PC.
Growth of Consumer Electronics:

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950s</td>
<td>Radios</td>
</tr>
<tr>
<td>Late 1960s</td>
<td>B&amp;W TV Transmission</td>
</tr>
<tr>
<td>1982</td>
<td>Color TV Transmission</td>
</tr>
<tr>
<td>1992</td>
<td>Liberalization Process initiated</td>
</tr>
<tr>
<td>1993-94</td>
<td>Dismantling of controls such as licenses, use of foreign Brand Names etc.</td>
</tr>
<tr>
<td>1994-95</td>
<td>Entry of MNCs – Panasonic, Sony, LG, Samsung etc.</td>
</tr>
<tr>
<td></td>
<td>Lowering of Import duties.</td>
</tr>
<tr>
<td></td>
<td>Cable TV Started</td>
</tr>
<tr>
<td>1995- Till Date</td>
<td>Entry of Many MNCs &amp; Rapid Growth</td>
</tr>
<tr>
<td>2001</td>
<td>Non-Tariff Barriers on Imports removed</td>
</tr>
<tr>
<td>2004</td>
<td>Free Trade Agreement with Thailand implemented, resulting in reduction of import duties on Color Television sets, Color Picture Tubes, Refrigerators and Air Conditioners, thus more competition.</td>
</tr>
</tbody>
</table>

The Indian Consumer Durables segment can be segmented into three groups:

**White Goods:** Air conditioner, Refrigerators, Washing Machines, Sewing Machines, Watches and clocks, Cleaning equipment, other domestic appliances, etc.

**Brown Goods:** Microwave Oven, Cooking Range, Chimneys, Mixers, Grinders, Electronic fans, Irons, etc.

**Consumer Electronics:** TVs, Audio and Video systems, Electronic accessories, PCs, Mobile phones, Digital cameras, DVDs, Camcorders, etc.

Urban Markets account for 65 percent share of total revenues in the consumer durables sector in India. Demand in urban market is likely to increase for non-essential products such as LED TVs, split ACs, Laptops. (According to a Report by “Corporate Catalyst India”)

**Search engine marketing (SEM):** Search engine marketing (SEM) is a type of Internet marketing that involves the promotion of websites by increasing their visibility in search engine results pages (SERPs) through optimization and advertising. SEM may use search engine optimization (SEO) that adjusts or rewrites website content to achieve a higher ranking in search engine results pages or use pay per click listings. Search engine is a main medium for search engine marketing. A search engine can be defined as an information retrieval system which is designed to help the browsers to search the information stored in the internet. The search results are presented in a list which are commonly called as hits. Search engines like bing, yahoo, google etc. helps to minimize the time required to find information and

**Brands in Consumer Electronics Sector: Multinational Companies that sell Consumer Electronic Products in India:**

<table>
<thead>
<tr>
<th>BRAND</th>
<th>HEAD QUATER</th>
<th>REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LG Corp</td>
<td>SOUTH KOREA</td>
<td>US$143 Billion (2012)</td>
</tr>
<tr>
<td>SAMSUNG</td>
<td>KOREA</td>
<td>US$ 268.8 billion (2012)</td>
</tr>
<tr>
<td>Philips</td>
<td>HOLLAND</td>
<td>US$34.04 billion(2012)</td>
</tr>
<tr>
<td>Panasonic</td>
<td>JAPAN</td>
<td>US$ 75.8 billion (2013)</td>
</tr>
<tr>
<td>Sharp Corporation</td>
<td>JAPAN</td>
<td>US$ 23.84 billion (2012)</td>
</tr>
<tr>
<td>Sony Corporation</td>
<td>JAPAN</td>
<td>US$ 72.349 billion (2013)</td>
</tr>
<tr>
<td>Hitachi</td>
<td>JAPAN</td>
<td>US$ 94 billion (2012)</td>
</tr>
<tr>
<td>Sansui</td>
<td>JAPAN</td>
<td>Not Available</td>
</tr>
<tr>
<td>Toshiba`</td>
<td>JAPAN</td>
<td>US$ 60.37 (2012)</td>
</tr>
<tr>
<td>Akai</td>
<td>SINGAPORE</td>
<td>Not Available</td>
</tr>
<tr>
<td>Haier</td>
<td>CHINA</td>
<td>(USD 29.5 billion) (2013)</td>
</tr>
</tbody>
</table>
The top 25 electronic brands websites in consumer electronics category in the World are as follows:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Brands</th>
<th>Website</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Samsung</td>
<td><a href="http://www.samsung.com">www.samsung.com</a></td>
<td>Manufactures TVs, digital cameras, DVDs, VCRs and audio systems.</td>
</tr>
<tr>
<td>2</td>
<td>Sony</td>
<td><a href="http://www.sony.com">www.sony.com</a></td>
<td>Manufacturer of a wide range of consumer electronics products including audio, video, communications, and computer systems.</td>
</tr>
<tr>
<td>3</td>
<td>LG</td>
<td><a href="http://www.lg.com">www.lg.com</a></td>
<td>Global manufacturer of electronics products such as mobile phones, plasma and LCD TV, domestic appliances, DVD recorders, home cinema systems and IT products.</td>
</tr>
<tr>
<td>4</td>
<td>TOSHIBA</td>
<td><a href="http://www.toshiba.com">www.toshiba.com</a></td>
<td>Manufacturer of laptops, televisions, recording equipment,</td>
</tr>
<tr>
<td>5</td>
<td>PANASONIC</td>
<td><a href="http://www.panasonic.com">www.panasonic.com</a></td>
<td>Manufacturer of consumer electronics, computer products, business and office equipment, broadcast audio and video equipment, building and commercial tools, security systems, and industrial electronics components.</td>
</tr>
<tr>
<td>6</td>
<td>PHILIPS</td>
<td><a href="http://www.philips.com">www.philips.com</a></td>
<td>Manufacturer of TVs, Blu-Ray Players, DVDs, VCRs and audio systems.</td>
</tr>
<tr>
<td>7</td>
<td>ROKU</td>
<td><a href="http://www.roku.com">www.roku.com</a></td>
<td>Makes and design a radio Wi-Fi music system and network music player. USA.</td>
</tr>
<tr>
<td>8</td>
<td>BELKIN</td>
<td><a href="http://www.belkin.com">www.belkin.com</a></td>
<td>Manufacturer and supplier of audio, video and computer cables, power protection, desktop and mobility accessories. USA.</td>
</tr>
<tr>
<td>9</td>
<td>BOSE</td>
<td><a href="http://www.bose.com">www.bose.com</a></td>
<td>Manufacturers of complete home audio systems such as home theater systems, DVD systems and accessories.</td>
</tr>
<tr>
<td>10</td>
<td>SONOS</td>
<td><a href="http://www.sonos.com">www.sonos.com</a></td>
<td>Manufacturer of multi-zone digital music system. Online store. California, USA.</td>
</tr>
<tr>
<td>11</td>
<td>PIONEER ELECTRONICS</td>
<td><a href="http://www.pioneerelectronics.com">www.pioneerelectronics.com</a></td>
<td>Worldwide manufacturer of automotive stereo equipment and electronics.</td>
</tr>
<tr>
<td>12</td>
<td>JVC</td>
<td><a href="http://www.jvc.com">www.jvc.com</a></td>
<td>Manufacturer of car audio speaker systems, CD changers/receivers, amplifiers and equalizers.</td>
</tr>
<tr>
<td>16</td>
<td>JBL</td>
<td><a href="http://www.jbl.com">www.jbl.com</a></td>
<td>Manufacturer of subwoofers, loudspeakers, component systems, and amplifiers for home and car.</td>
</tr>
<tr>
<td>17</td>
<td>POL AUDIO</td>
<td><a href="http://www.polkaudio.com">www.polkaudio.com</a></td>
<td>Manufactures car audio speaker systems.</td>
</tr>
<tr>
<td>18</td>
<td>Bang&amp;Olufsen</td>
<td><a href="http://www.bang-olufsen.com">www.bang-olufsen.com</a></td>
<td>Manufacturer of a complete line of audio and video products.</td>
</tr>
<tr>
<td>19</td>
<td>VOLUMERATE</td>
<td><a href="http://www.volumerate.com">www.volumerate.com</a></td>
<td>Volume Rate is your one stop.</td>
</tr>
</tbody>
</table>
source for first-quality consumer electronics products at a very competitive price.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Website</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>SHARP USA</td>
<td><a href="http://www.sharpusa.com">www.sharpusa.com</a></td>
<td>Manufacturer of a wide range of consumer and business products, from appliances, audio and video equipment, calculators, printers and copiers</td>
</tr>
<tr>
<td>21</td>
<td>HITACHI</td>
<td><a href="http://www.hitachi.com">www.hitachi.com</a></td>
<td>Manufactures electronic and electrical equipment. Operations are divided into the following segments: Information systems and electronics, electronic devices, power and industrial systems, and consumer products. (NYSE:HIT).</td>
</tr>
<tr>
<td>22</td>
<td>KLIPSCH</td>
<td><a href="http://www.klipsch.com">www.klipsch.com</a></td>
<td>Wide range of speakers, from computer monitors to home audio.</td>
</tr>
<tr>
<td>23</td>
<td>AKG</td>
<td><a href="http://www.akg.com">www.akg.com</a></td>
<td>Manufacturer of studio microphones broadcast and live sound equipment, as well as headphones for consumers.</td>
</tr>
<tr>
<td>24</td>
<td>HARMAN KARDON</td>
<td><a href="http://www.harmankardon.com">www.harmankardon.com</a></td>
<td>Manufacturer of a wide range of home and car audio and video products. USA.</td>
</tr>
<tr>
<td>25</td>
<td>PRESTIGIO</td>
<td><a href="http://www.prestigio.com">www.prestigio.com</a></td>
<td>Manufacturer of electronics and hardware such as LCD monitors and TV, GPS navigation systems, and data storage.</td>
</tr>
</tbody>
</table>

**Source:** http://www.alexa.com/topsites/category/

The above mentioned websites are said to be top famous websites globally according to Alexa a web information or analytics website, which is the leading provider of global web matrix. The main reasons which made this website so popular with number of hits is

- These website are search engine friendly
- Content of the website is filled with search friendly keywords
- Use of extensive hyperlinks which includes site to accrue more visitors from social networking sites by adding social sharing buttons to company’s blog posts.
- Use of meta tags and search engine friendly coding in the WebPages

**The top electronic brands sites in consumer electronics with reference to top 500 brands in India are:**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Website</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>209</td>
<td>Samsung</td>
<td><a href="http://www.samsung.com">www.samsung.com</a></td>
<td>Manufactures TVs, digital cameras, DVDs, VCRs and audio systems.</td>
</tr>
<tr>
<td>388</td>
<td>Dell</td>
<td><a href="http://www.dell.com">www.dell.com</a></td>
<td>Dell is your place to learn about and buy a notebook, desktop, server, printer, software, service, monitor or TV.</td>
</tr>
</tbody>
</table>

**Interpretation:** Only 2 consumer electronic brands websites exists in top 500 websites in India in terms of website popularity.
Popularity of Consumer Electronic Brands websites in India and World Data as on Feb 2014:

<table>
<thead>
<tr>
<th>Brands</th>
<th>Website</th>
<th>Global Rank</th>
<th>Rank in India (NA – Not Available)</th>
<th>Daily Page views per visitor (People engagement)</th>
<th>Daily Time on Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAMSUNG</td>
<td><a href="http://www.samsung.co.in">www.samsung.co.in</a></td>
<td>1003128</td>
<td>84123</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Sony Corporation</td>
<td><a href="http://www.sony.co.in">www.sony.co.in</a></td>
<td>9231</td>
<td>793</td>
<td>3.33</td>
<td>3:30</td>
</tr>
<tr>
<td>LG Corp</td>
<td><a href="http://www.lg.com/in">http://www.lg.com/in</a></td>
<td>1622</td>
<td>NA</td>
<td>2.78</td>
<td>3:33</td>
</tr>
<tr>
<td>Philips</td>
<td><a href="http://www.phillips.co.in/">http://www.phillips.co.in/</a></td>
<td>30411</td>
<td>3,187</td>
<td>3.68</td>
<td>3:29</td>
</tr>
<tr>
<td>Panasonic</td>
<td><a href="http://www.pancasonic.com/in">http://www.pancasonic.com/in</a></td>
<td>3952</td>
<td>NA</td>
<td>3.02</td>
<td>3:08</td>
</tr>
<tr>
<td>Sharp Corporation</td>
<td><a href="http://www.sharpusa.com/">http://www.sharpusa.com/</a></td>
<td>56386</td>
<td>21699</td>
<td>2.64</td>
<td>2:47</td>
</tr>
<tr>
<td>Hitachi</td>
<td><a href="http://www.hitachi.co.in/">http://www.hitachi.co.in/</a></td>
<td>195852</td>
<td>44662</td>
<td>2.50</td>
<td>2:34</td>
</tr>
<tr>
<td>Sansui</td>
<td><a href="http://www.sansui-india.com/">http://www.sansui-india.com/</a></td>
<td>588445</td>
<td>69208</td>
<td>5.50</td>
<td>6:45</td>
</tr>
<tr>
<td>Toshiba</td>
<td><a href="http://www.toshiba-india.com/">www.toshiba-india.com/</a></td>
<td>83472</td>
<td>11078</td>
<td>4.10</td>
<td>4:19</td>
</tr>
<tr>
<td>Akai</td>
<td><a href="http://akai-india.net/">http://akai-india.net/</a></td>
<td>1261873</td>
<td>199241</td>
<td>4.30</td>
<td>3:41</td>
</tr>
<tr>
<td>Haier</td>
<td><a href="http://www.haier.com/in/">http://www.haier.com/in/</a></td>
<td>30480</td>
<td>NA</td>
<td>3.11</td>
<td>3:09</td>
</tr>
<tr>
<td>Hp</td>
<td><a href="http://www.hp.com">http://www.hp.com</a></td>
<td>289</td>
<td>NA</td>
<td>4.24</td>
<td>4:56</td>
</tr>
<tr>
<td>Dell</td>
<td><a href="http://www.dell.co.in/">http://www.dell.co.in/</a></td>
<td>43917</td>
<td>4851</td>
<td>1.02</td>
<td>0:47</td>
</tr>
</tbody>
</table>

The Table shows the rank difference of top consumer electronics brands with visitor’s engagement with website on daily basis. As per the table, it is clear that the market leader brand like Samsung, Akai does not enjoy the leadership presence in Web World because of poor Search Engine Marketing of its website due to poor optimization. The ranking of websites as no links with sales and revenues.
<table>
<thead>
<tr>
<th>Company</th>
<th>Website</th>
<th>Country</th>
<th>Percent of Visitors</th>
<th>Rank in Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sony Corporation</td>
<td><a href="http://www.sony.co.in">www.sony.co.in</a></td>
<td>India</td>
<td>88.6%</td>
<td>827</td>
</tr>
<tr>
<td>LG Corp</td>
<td><a href="http://www.lg.com/in">http://www.lg.com/in</a></td>
<td>United States</td>
<td>14.6%</td>
<td>2,778</td>
</tr>
<tr>
<td>Philips</td>
<td><a href="http://www.philips.co.in/">http://www.philips.co.in/</a></td>
<td>India</td>
<td>91.9%</td>
<td>3,364</td>
</tr>
<tr>
<td>Panasonic</td>
<td><a href="http://www.panasonic.com/in">http://www.panasonic.com/in</a></td>
<td>Japan</td>
<td>22.2%</td>
<td>911</td>
</tr>
<tr>
<td>Sharp Corporation</td>
<td><a href="http://www.sharpusa.com/">http://www.sharpusa.com/</a></td>
<td>United States</td>
<td>59.4%</td>
<td>21,699</td>
</tr>
<tr>
<td>Hitachi</td>
<td><a href="http://www.hitachi.co.in/">http://www.hitachi.co.in/</a></td>
<td>India</td>
<td>100.0%</td>
<td>44,662</td>
</tr>
<tr>
<td>Sansui</td>
<td><a href="http://www.sansui-india.com/">http://www.sansui-india.com/</a></td>
<td>India</td>
<td>100.0%</td>
<td>69,208</td>
</tr>
<tr>
<td>Toshiba`</td>
<td><a href="http://www.toshiba-india.com/">www.toshiba-india.com/</a></td>
<td>India</td>
<td>87.0%</td>
<td>11,078</td>
</tr>
<tr>
<td>Akai</td>
<td><a href="http://akai-india.net/">http://akai-india.net/</a></td>
<td>India</td>
<td>98.4%</td>
<td>199,241</td>
</tr>
<tr>
<td>Haier</td>
<td><a href="http://www.haier.com/in">http://www.haier.com/in</a></td>
<td>China</td>
<td>41.9%</td>
<td>4,716</td>
</tr>
</tbody>
</table>

*Note: `Country` and `Percent of Visitors` columns do not exist in the original data.*
<table>
<thead>
<tr>
<th>Brands</th>
<th>Website</th>
<th>Top Key words from search engine to send traffic to this site</th>
<th>How fast does website load</th>
<th>Which sites did people visit immediately before this site</th>
<th>Search traffic – What percentage of visits to this site came from a search engine</th>
<th>Sites link to website</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAMSUNG</td>
<td><a href="http://www.samsung.co.in">www.samsung.co.in</a></td>
<td>samsung.co.in, samsung.co.in, list of service center</td>
<td>NA</td>
<td>Google.co.in</td>
<td>32.7%</td>
<td>15</td>
</tr>
<tr>
<td>Sony Corporation</td>
<td><a href="http://www.sony.co.in">www.sony.co.in</a></td>
<td>SONY, sonyindia, sonyvaio, sony laptops, sonyvaio e series</td>
<td>2.756 Seconds</td>
<td>Google.co.in, google.com, flipkart.com, sony.com, sonyvaio.com</td>
<td>41.4%</td>
<td>1096</td>
</tr>
<tr>
<td>LG Corp</td>
<td><a href="http://www.lg.com/in">http://www.lg.com/in</a></td>
<td>Lg, lg g2, lgoptimus g, lgoptimus, lgtv</td>
<td>1.908 seconds</td>
<td>Google.com, facebook.com, google.co.in, yahoo.com, youtube.com, google.it</td>
<td>42.7%</td>
<td>76</td>
</tr>
<tr>
<td>Philips</td>
<td><a href="http://www.philips.co.in">http://www.philips.co.in</a></td>
<td>Philips trimmer, Philips india, Philips aquatouch, Philips home</td>
<td>3.909 seconds</td>
<td>Google.co.in, google.com, flipkart.com, snapdeal.com</td>
<td>37.60%</td>
<td>314</td>
</tr>
</tbody>
</table>

Table Showing Performance of Websites:
<table>
<thead>
<tr>
<th>Brand</th>
<th>Website Link</th>
<th>Features</th>
<th>Time (seconds)</th>
<th>Google.com results</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panasonic</td>
<td><a href="http://www.panasonic.com.in">http://www.panasonic.com.in</a></td>
<td>theatre, Philips headphones, Panasonic, Panasonic india, Panasonic lumix, Panasonic logo</td>
<td>2.212</td>
<td>Google.com, google.co.in, Panasonic.jp, google.de, Panasonic.net</td>
<td>36.70%</td>
</tr>
<tr>
<td>Sharp Corporation</td>
<td><a href="http://www.sharpusa.com/">http://www.sharpusa.com/</a></td>
<td>Sharp, sharp tv, sharp electronics, sharp aquos</td>
<td>1.092</td>
<td>Google.com, google.co.in, sharp-world.com, facebook.com, google.ca</td>
<td>52.00%</td>
</tr>
<tr>
<td>Hitachi</td>
<td><a href="http://www.hitachi.co.in/">http://www.hitachi.co.in/</a></td>
<td>Hitachi, hitachi india, hitachi ac, hitachi logo, hitachi refrigerator</td>
<td>1.201</td>
<td>Google.co.in, ndtv.com</td>
<td>22.20%</td>
</tr>
<tr>
<td>Sansui</td>
<td><a href="http://www.sansui-india.com/">http://www.sansui-india.com/</a></td>
<td>Sansui, sansui tv, sansui india, sansui led, sansui dvd player</td>
<td>Na</td>
<td>Google.co.in, google.com</td>
<td>50.80%</td>
</tr>
<tr>
<td>Toshiba</td>
<td><a href="http://www.toshiba-india.com/">www.toshiba-india.com/</a></td>
<td>Toshiba india, Toshiba, Toshiba laptops, Toshiba led tv, Toshiba laptop</td>
<td>9.242</td>
<td>Google.co.in, google.com, Toshiba.com, snapdeal.com, flipkart.com</td>
<td>33.10%</td>
</tr>
<tr>
<td>Akai</td>
<td><a href="http://akai-india.net/">http://akai-india.net/</a></td>
<td>Akai inida, akai tv, akai tv customer care number, akai, akai smart box</td>
<td>Na</td>
<td>Google.co.in</td>
<td>50.00%</td>
</tr>
<tr>
<td>Haier</td>
<td><a href="http://www.haier.com/in/">http://www.haier.com/in/</a></td>
<td>Haier, haiertv, haier Pakistan, haierindia</td>
<td>1.503</td>
<td>Yahoo.com, sina.com, amazon.com, 360.cn, yandex.ru</td>
<td>26.90%</td>
</tr>
<tr>
<td>Hp</td>
<td><a href="http://www.hp.com">http://www.hp.com</a></td>
<td>Hp, hp support, hp drivers, Hewlett Packard, hp driver</td>
<td>2.907</td>
<td>Youtube.com, yahoo.com, qq.com, sina.com.cn, 163.com</td>
<td>37.00%</td>
</tr>
<tr>
<td>Dell</td>
<td><a href="http://www.dell.co.in/">http://www.dell.co.in/</a></td>
<td>Dell, dell india, dell</td>
<td>3.551</td>
<td>Yahoo.com, stackoverflow</td>
<td>30.90%</td>
</tr>
</tbody>
</table>
The Table clearly states the top performing websites in the Web World like Hp, Panasonic, Sony with top ranking in consumer electronics category are due to more hyperlinks, and extensive usage of search engine friendly keywords. It also shows the top web brands in this category makes the users to read the pages more compare to other websites which has lower ranking that even includes top brands like Samsung, Sony.

CONCLUSION

The above data for example Samsung brand of website www.samsung.co.in shows inspite having market leadership in India the website ranking is 1003128 globally and 84123 in India, which proves that the current market trend shows having or having not leadership in search engine optimization has a very little impact on the brand market. But I feel it is going to change and in future there will be a direct correlation between brand and search engine optimization.

This paper states that search engine leadership may not be enough to attract customers and increase brand value as it is proved with an example of Samsung. But similar research on ecommerce sites is suggested to prove this theory.

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AN ANALYSIS OF PERFORMANCE AND POTENTIAL APPRAISAL IN HIGHER EDUCATION INSTITUTIONS OF MADHYA PRADESH

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Email: skandbt@gmail.com

ABSTRACT

Today, performance appraisal (PA) has increasingly become part of a more strategic approach to integrating HR activities through which organizations seek to assess employee and develop their competence, improve performance and share out rewards. The success of an organization depends on the performance of the employees and it is the human tendency to judge everything and everyone around them. If there are no fixed standards of judging they will start judging based on informal standards that can create lack of enthusiasm and impact the performance of the employee and in turn, the organization. Hence, it is essential that we set the right standards to judge the performance of the employees. At a strategic level, the need for speedy and effective organizational change in today's vibrant social, economic, and political environment requires that employees continually re-align their performance with the sprouting goals and objectives of the organization. In this research paper an analysis of performance and potential appraisal teachers of the higher education institutions has been done through questionnaire. Questionnaire having 15 factors to assess performance & potential appraisal and the score has been obtained on a 5 point scale. In order to make the interpretation easier the mean score was converted in percentage score. The result indicates that 7 items is fairly good, 7 items is good and 1 items is average score. Conclusively the performance and potential appraisal among teachers of higher education institutions appears to be good (69.34%).

Keywords: Performance; Potential Appraisal; Higher Education; Teachers

INTRODUCTION

Performance appraisal has been defined as any personal decision that affects the status of employee regarding their retention, termination, promotion, transfer, salary increase or decrease or admission into a training programme. According to Sir Wayne Cascio. "Performance appraisal is the systematic description of an employee's job relevant strengths and weaknesses." Performance appraisal "it is the systematic evaluation of the individual with respect to his or her performance on the job and his or her potential for development." According to Flippo, "performance of whom which is appraised is known as appraise and his superior officer who does the appraisee is known as appraiser.

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance Appraisal system is a systematic and objective way of judging the relative merit or performance of an employee's task. It is the process which helps to identify those who perform their assigned tasks well and also pinpoints those whose productivity is low. In this research paper an analysis of performance and potential appraisal of teachers of the higher education institutions has been done through questionnaire.
REVIEW OF LITERATURE

According to Luthans (1981), "Today, performance appraisals are used not only for wage increases, transfers, promotions and layoffs, but also as a means of communication, motivation and development of all the employees in the organisation". Performance Appraisal is the systematic evaluation of the individual with respect to his performance on the job and his potential for development. The aim of performance appraisal can, therefore, be two-fold, (Brij mohan, 1993) viz.

(i) To improve organisational viability and growth through optimal utilisation of its human resources; and

(ii) To motivate the appraise towards giving his/her best to the organisation by improving his/her performance and by developing the potential.

Levinson (1976) has mentioned three functions of performance appraisal as:

(i) it seeks to provide an adequate feedback to each individual for his performance;

(ii) it purports to serve as a basis for improving or changing behaviour towards some more effective working habits; and

(iii) It aims at providing data to managers/supervisors with which they may judge future job assignments and compensation.

The performance appraisal/evaluation process undertaken by universities in India shows interesting points that the non-teaching staff, at all levels, are being evaluated annually by their supervisors or Reporting Officers through the mechanism of confidential reports. These confidential reports deal with the personality of the employee rather his/her performance and presentation during the year. Adverse comments, if any, are communicated to the employee concerned, while the good work done by the staff is not appreciated. Since there are no rewards or incentives for good performance, one's productivity either goes down for adverse comments remains unchanged (Mahenditra, 1984), Banerjee (2008) studied the importance of performance management as a key process to ensure optimum utilization of human resource throughout the world. Ever since liberalization, Indian organisations have been exposed to both domestic and international competition and are, thus adopting the global practices irrespective of being private players or government establishments. The study analyzed the various factors required to be handled by an organisation for successful implementation of performance management system.

Mohanthy (2010) identified the importance of performance appraisal as a key to organisational success. The study revealed the fact that, organisations are paying more attention to performance management and especially to individual performance. So, if the process of performance appraisal is properly structured, it will help employee to understand their roles, responsibilities, enable to align their individual performance with the organizational goals.

Lawrance (1987) had identified ten steps to conducting an effective performance appraisal- (1) define expectation of the job, (2) observe performance, (3) revised goals, established from previous appraisal if applicable, 4) all the employees prepare a self-appraisal, (5) verbal and non-verbal skill for proper evaluation, (6) state purpose and objective of the appraisal, (7) techniques for presenting information, (8) set goals and develop action plan, (9) set date for next review, (10) deliver what you promise.

Manasa and Reddy (2009) had studied the role of training in approving performance. The finding states that, the difference brought at in the appraisal can be corrected through training. The paper attempts to understand perceptions of employee of Andhra Pradesh State Financial Corporation with regard to performance appraisal and how training plays a key role in correcting the deficiencies in performance.

Malikarjun (2005) had identified that; performance appraisal is an indispensable HR tool. Performance appraisal system had assumed a new shape in the form of a two-way communication link between the
employees and the employers. The finding says that, the performance appraisal system is based in a free and unrestricted approach would generate the processed data and help organizational productivity.

Neeraja and Aman (2009) had studied the employer's perspective regarding performance appraisal and reward philosophy and the effect of demographic variable on it. This study is based on the hypothesis that, demographic variables and employer's opinion are independent of each other. The study address with regard to perceptions of performance appraisal and reward philosophy in their organisations.

Chandran and Ravi Thilakam (2007) in their combine study focused on the transformation of the performance appraisal system in the changing scenario. The organisations have realized that, they must also derive competitive advantage from the effective management of their people. This article focuses on the means to improve the performance of the individual employee which results in the overall improvement of the organisation.

OBJECTIVES

1. To study the overall performance and potential appraisal among teachers of the higher education institutions.
2. To analyse the factor wise performance and potential appraisal in higher education institutions.
3. To assess the variations in performance and potential appraisal in different group of teachers.

METHODOLOGY

With a view to analysing the performance & potential appraisal of teachers in Higher Education Institutions, questionnaires distributed among the various cadres of I Group A (University Professors & College Principals), II Group B (University and College Associate Professors), III Group C (University and College Assistant Professors). To measure the performance & potential appraisal a 15 items survey questionnaire was administered to the selected respondents. To ensure the study more purposeful selection of institutes and respondent for data collection was made in such manner, in which the representation of teachers from various higher education institutes i.e. university teaching departments; post graduate , under graduate; boys, girls; science, art, law, commerce; private, govt., semi govt.; excellence, autonomous and affiliated colleges was included. The scoring was analysed on five point scale and score was simplified in percentage as per the formula of Rao (1991) i.e.

**Percentage score = Mean score -1x25**

Five categories of gradation were very good, fairly good, good, average and poor.

RESULT

Performance and Potential Appraisal of Teachers in Higher Education Institution:

The table 1&2 and fig. 1 & 2 under reference shows the item wise mean score and percentage of the group A, B & C and overall performance and potential appraisal survey of teacher of the Higher Education Institution. Some of the trends noticed are given below. The performance and potential appraisal of teacher in Higher Education Institution appears to be good. The average mean score and percentage score of 15 items has been calculated at 3.60 (64.96%) for group A, 3.85 (71.25%) for group B, 3.88 (72%) for group C. The average mean and percentage of the overall performance and potential appraisal of 15 items has been calculated at 3.77 (69.34).

The important factor contributing fairly good scores to the performance and potential appraisal are: The appraisal system helps both appraise and appraiser to have a clear and joint understanding each appraise job, (item-2), it helps appraisee to gain interest and more insights into his strength and weakness, (item-6), it has scope for communicating strategies, policies etc. to teachers at all level (item-7), provides an opportunity for self-review and relation (item-8), provides self-motivational value through periodic appraisal for acquiring additional capabilities (item-11), provides awareness to the appraisee of the direction, areas and techniques which develop him in relation to present job.(item.12), system helps and motivates the teacher to make efforts to develop (item-14). Other
import factors resulting good scores are: The performance appraisal system provides an opportunity for each appraisee to have a clear understanding of what is expected from him by his reporting officer during the performance year (item-1), it encourage the appraiser and appraisee to have a common understanding of the factors affecting the performance and lines of development of the appraisee (item-3), provides an opportunity for a discussion between the appraiser and appraisee on the priorities, expectation, achievements, failures constraints and improvements required (item-4), appraisal system develops superior subordinate relationship through open communication and mutual trust (item-5). It has scope for reflection and assessment of each appraisee on the personality factors potentials and attitudes required for the current job (item-9), provides an opportunity for each appraisee to express his development needs (item-10), system helps the teacher to know his strength and weakness (item-13).

The factor which scored average is: system (including feedback and counseling from superiors) enables the individual to identify the opportunities within and outsides the institution for his development (item-15).

Table 1. Item wise mean scores, percentage scores & categories of Group A,B,C and Overall in Performance & Potential Appraisal of Teachers Higher Education Institutions

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Group A</th>
<th>AM</th>
<th>% Score</th>
<th>Category</th>
<th>Group B</th>
<th>% Score</th>
<th>Category</th>
<th>Group C</th>
<th>% Score</th>
<th>Category</th>
<th>Overall</th>
<th>% Score</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>3.32</td>
<td>58.03</td>
<td>AV</td>
<td>3.64</td>
<td>66.07</td>
<td>G</td>
<td>4.13</td>
<td>78.13</td>
<td>FG</td>
<td>3.72</td>
<td>68.10</td>
<td>G</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>3.60</td>
<td>64.90</td>
<td>G</td>
<td>3.98</td>
<td>74.40</td>
<td>FG</td>
<td>4.04</td>
<td>76.04</td>
<td>FG</td>
<td>3.87</td>
<td>71.69</td>
<td>FG</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>3.60</td>
<td>64.90</td>
<td>G</td>
<td>3.43</td>
<td>68.45</td>
<td>G</td>
<td>3.99</td>
<td>74.66</td>
<td>FG</td>
<td>3.71</td>
<td>67.83</td>
<td>G</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>3.40</td>
<td>60.08</td>
<td>G</td>
<td>3.71</td>
<td>60.71</td>
<td>G</td>
<td>3.54</td>
<td>63.54</td>
<td>G</td>
<td>3.53</td>
<td>63.33</td>
<td>G</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>3.52</td>
<td>63.00</td>
<td>G</td>
<td>3.71</td>
<td>67.86</td>
<td>G</td>
<td>4.07</td>
<td>76.74</td>
<td>FG</td>
<td>3.79</td>
<td>69.72</td>
<td>G</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>3.64</td>
<td>65.98</td>
<td>G</td>
<td>3.93</td>
<td>73.21</td>
<td>FG</td>
<td>4.08</td>
<td>77.08</td>
<td>FG</td>
<td>3.89</td>
<td>72.21</td>
<td>FG</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>3.71</td>
<td>67.73</td>
<td>G</td>
<td>4.05</td>
<td>76.19</td>
<td>FG</td>
<td>4.04</td>
<td>76.04</td>
<td>FG</td>
<td>3.92</td>
<td>73.11</td>
<td>FG</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>3.76</td>
<td>68.93</td>
<td>G</td>
<td>4.19</td>
<td>79.76</td>
<td>FG</td>
<td>3.88</td>
<td>71.88</td>
<td>FG</td>
<td>3.91</td>
<td>72.74</td>
<td>FG</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>3.74</td>
<td>68.53</td>
<td>G</td>
<td>3.81</td>
<td>70.24</td>
<td>FG</td>
<td>3.75</td>
<td>68.75</td>
<td>G</td>
<td>3.76</td>
<td>69.03</td>
<td>G</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>3.68</td>
<td>66.93</td>
<td>G</td>
<td>3.79</td>
<td>69.64</td>
<td>G</td>
<td>3.79</td>
<td>69.79</td>
<td>G</td>
<td>3.75</td>
<td>68.73</td>
<td>G</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>3.79</td>
<td>69.73</td>
<td>G</td>
<td>3.93</td>
<td>73.21</td>
<td>FG</td>
<td>3.73</td>
<td>69.79</td>
<td>G</td>
<td>3.81</td>
<td>70.19</td>
<td>FG</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>3.92</td>
<td>72.98</td>
<td>G</td>
<td>4.14</td>
<td>78.57</td>
<td>FG</td>
<td>3.94</td>
<td>73.60</td>
<td>FG</td>
<td>3.98</td>
<td>74.57</td>
<td>FG</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>3.71</td>
<td>67.73</td>
<td>G</td>
<td>3.76</td>
<td>69.05</td>
<td>G</td>
<td>3.75</td>
<td>68.75</td>
<td>G</td>
<td>3.74</td>
<td>68.45</td>
<td>G</td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>3.82</td>
<td>70.48</td>
<td>FG</td>
<td>3.83</td>
<td>70.83</td>
<td>FG</td>
<td>3.82</td>
<td>70.49</td>
<td>FG</td>
<td>3.82</td>
<td>70.56</td>
<td>FG</td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>2.78</td>
<td>69.58</td>
<td>G</td>
<td>3.86</td>
<td>71.48</td>
<td>FG</td>
<td>3.64</td>
<td>65.79</td>
<td>G</td>
<td>3.39</td>
<td>59.71</td>
<td>AV</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>3.60</td>
<td>64.96</td>
<td>G</td>
<td>3.85</td>
<td>71.25</td>
<td>FG</td>
<td>3.88</td>
<td>72.00</td>
<td>FG</td>
<td>3.77</td>
<td>69.34</td>
<td>G</td>
<td></td>
</tr>
</tbody>
</table>

Note: Categories: P = Poor, AV = Average, G = Good, FG=Fairy Good, VG= Very Good

Table 2. Item wise degree distribution of Performance and Potential Appraisal

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Category</th>
<th>Percentage</th>
<th>Item No.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Very Good</td>
<td>80 to 100%</td>
<td>Nil</td>
<td>6</td>
</tr>
<tr>
<td>2.</td>
<td>Fairly Good</td>
<td>70 to 80%</td>
<td>2, 6, 7, 8, 11, 12, 14</td>
<td>7</td>
</tr>
<tr>
<td>3.</td>
<td>Good</td>
<td>60 to 70%</td>
<td>1, 3, 4, 5, 9, 10, 13</td>
<td>7</td>
</tr>
<tr>
<td>4.</td>
<td>Average</td>
<td>50 to 60%</td>
<td>15</td>
<td>01</td>
</tr>
<tr>
<td>5.</td>
<td>Poor</td>
<td>Less than 50%</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15</strong></td>
<td><strong>15</strong></td>
<td><strong>Nil</strong></td>
<td><strong>Nil</strong></td>
</tr>
</tbody>
</table>
Note: Categories: P = Poor, AV = Average, G = Good, FG = Fairy Good, VG = Very Good

Fig 1. Item wise percentage score & category of Performance & Potential Appraisal of Teachers in Higher Education Institutions

Note: Categories: G = Good, FG = Fairy Good

Fig 2. Percentage score & category of Group A, B, C and Overall Performance & Potential Appraisal in Higher Education Institutions

CONCLUSION
The result indicates that 7 items is fairly good, 7 items is good and 1 items is average score. Conclusively the performance and potential appraisal among teachers of higher education institutions appears to be good (69.34%).

SUGGESTION
1. Appraisal and feedback system should be strengthened.
2. There should be a more scientific system of appraising performance of employees.
3. Personnel policies should be strengthened.

REFERENCE


ABSTRACT

Manipur is industrially and economically backward state of the country which is located at the extreme corner of the north east India. It is a state where more than 70 per cent of population depends on agriculture. Most of the banks in the state, particularly the State Bank of India, are overburdened with customers and it becomes quite difficult for the bank staffs to provide better customer service to its unmanageable number of customers. As a result of this, most of the people especially those who are financially excluded are not in a position to avail of the banking facilities. Further, despite of rigorous effort made by the government both state and central governments through different SHG-BLP under Microfinance scheme, maximum population are still financially excluded. In this situation, the small financial services provided by Unincorporated Financial Bodies or Registered Moneylenders are highly appreciable.

The present paper will be focussing mainly on the relationship that registered moneylenders have been maintaining to attract the borrowers. Natures of services or schemes which are tailor-cut as per the requirements of borrowers made these registered moneylenders keep on growing their businesses.

Keywords: Registered Moneylenders; Moneylenders; Financial Services; Borrowers; Credit; Moneylenders’ Act

INTRODUCTION

Moneylenders remain to be an important source of credit for people of rural India since time immemorial. Even in the present day of highly developed and well expanded organised banking system in the country; moneylenders are still a main source of credit for a large population of rural households. In the economically underdeveloped state of Manipur, moneylenders – both registered and unregistered moneylenders have been fulfilling the credit needs of both rich and poor people in the state. Their role in bridging the credit gap even in the presence of many nationalised banks, private banks, cooperative banks and many formal financial institutions is very significant. The nature of relationship maintained by the moneylenders with their borrowers and their tailored-cut services made their business growing.

OBJECTIVES OF THE STUDY

Main objectives of this study are -

1. To study the educational qualifications of borrowers of moneylenders.
2. To study the different types of borrowers of moneylenders.
3. To identify the reasons behind the borrowers’ approach for credit from moneylenders instead of bank credit.
4. To analyse the borrowers’ preference among various Repayment/Credit Schemes of moneylenders.

**HYPOTHESES OF THE STUDY**

The following hypothesis has been set for testing in the present study –

“Lesser numbers of borrowers of moneylenders are from lower income group.”

**REVIEW OF LITERATURE**

A. K. Garg, MD, Agricultural Finance Corporation suggests that a comprehensive financial system based on bank-moneylender linkages is required. He notes that if a comparison is made between the credit card interest rates and interest rates charged by moneylenders, the latter are clearly less exploitative.

Prof. R. Vaidyanathan, IIM Bangalore, is of the opinion that it is important to recognise moneylenders as legitimate agents of economic activity, and that banks must treat them as channel partners and provide them with credit. It has been suggested by him that banks might consider adopting a policy of encouraging the informal sector with refinance facilities wherever possible (for example, chit funds and nidhis).

K.G. Karmakar (1999) observes moneylenders in India also disburse loans to borrowers who have bank sanctioned loans but wait to receive them. These anecdotes imply that linkages provide an appealing option.

K. Hoff and J. E. Stiglitz (1997) provide evidence that infusion of government subsidized formal credit have not improved the terms offered by the moneylenders. Subsidy induces new entry, which reduces the market of each moneylender and forces him to operate at a higher marginal transacting cost. Thus, interest rates charged by moneylenders rise. An increase in entry also adversely affects borrower’s incentive to repay, which increases the enforcement effort that each moneylender must expend per borrower to ensure repayment.

**RESEARCH METHODOLOGY**

The present study is based on primary data that have been collected from 324 borrowers of 22 registered moneylenders in two districts of Imphal East and West districts of Manipur through questionnaires. The information is presented both in tabular as well as narrative ways. Simple tools like percentage analysis have been used. For testing the above stated hypotheses, Chi-Square test has been applied.

**Defining Moneylenders**

The definition of the term ‘Moneylender’ in legislation is generally all inclusive and means a person who is in the business of lending money (loans), whether as principal business or otherwise. However, nearly all legislations expressly exclude certain categories of persons from the definition. The excluded categories are either incorporated bodies or institutions in the business of banking, insurance and dealing in securities, etc., which are otherwise regulated by formal regulatory bodies in the country. There are certain other non-incorporated but registered bodies such as registered cooperative societies, which are also excluded from the definition of moneylenders. In addition to such individuals being expressly excluded, the laws abroad also exclude either a class of loans or loans provided by a class of persons from being regarded as ‘loans’ for the purpose of the money lending legislation thereby taking them out of the purview of those laws.

Various Moneylenders’ Acts define a moneylender as a person whose main or subsidiary occupation is the business of advancing and realizing loans. Banks and Co-operative Societies are excluded from the purview of the Acts of many states. Generally, the laws have been made applicable to individuals, firms, association of individuals and companies. However, Nagaland and Andhra Pradesh (as
applicable to the Andhra Region Scheduled Areas) have excluded companies from the purview of their respective enactments.

Registration of Moneylenders

Moneylenders are being instructed to get themselves registered under Moneylenders’ Acts of respective states which is under the control of Registrar of Co-operative Societies of the states. In the state of Manipur too, moneylenders have been registering under the Bombay Moneylenders Acts 1946 (extended to Manipur) since 2004. The registration is done at the Registrar of Moneylenders in the Office of Registrar of Co-operative Societies, Government of Manipur.

The advantages for registration of moneylenders as perceived by moneylenders are (i) Registration would help them to carry on business lawfully and have legal recourse against defaulters and (ii) Registration would enable them to exhibit their names over office which would enhance their status in society and also bring new customers and help in warding off undue harassment by police authorities.

A number of moneylenders do not register themselves due to many reasons. District Officials who are looking after the registration of moneylenders felt that most of the moneylenders did not register because of (i) the ceiling on the interest rate on lending, (ii) the cumbersome process of registration, (iii) the high registration and renewal fee, (iv) the fear of disclosure of unaccounted money and audit, (v) the fear of penalties, and (vi) the need to submit statements/returns compulsorily at periodic intervals, etc.

ANALYSIS OF DATA

The given data analysis is on the basis of data collected from 324 beneficiaries who are receiving credit facilities from the registered moneylenders in Manipur.

Analysis of Borrowers’ Educational Qualification

The present analysis is an attempt to see whether the Private Financial Institutions (PFI) are providing credit facilities only to the poor illiterates or even to the qualified and educated people too.

Table 1. Analysis of Borrowers’ Educational Qualification

<table>
<thead>
<tr>
<th>Educational Qualification</th>
<th>No. of Borrowers</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Metric</td>
<td>148</td>
<td>46</td>
</tr>
<tr>
<td>HSLC (X)</td>
<td>72</td>
<td>22</td>
</tr>
<tr>
<td>HSSLC (XII)</td>
<td>32</td>
<td>10</td>
</tr>
<tr>
<td>Graduate</td>
<td>72</td>
<td>22</td>
</tr>
<tr>
<td>Post Graduate</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>324</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Compiled from Questionnaire

It has been found that 46 per cent of the individual beneficiaries are under Matriculate whereas 22 per cent each are HSLC and Graduate passed respectively. None of the individual borrowers possess the qualification of Post-Graduate.

Profession-Wise Analysis of Borrowers

The beneficiaries of the PFI are from different background and sectors. For providing loan to a particular customer, it is needed to study their background and occupation.

Table 2. Profession-wise Analysis of Borrowers of Moneylenders

<table>
<thead>
<tr>
<th>Professions</th>
<th>No. of Borrowers</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>98</td>
<td>30</td>
</tr>
<tr>
<td>Self-Employed</td>
<td>19</td>
<td>6</td>
</tr>
<tr>
<td>Govt. Employees</td>
<td>137</td>
<td>42</td>
</tr>
</tbody>
</table>
Table 2. Profession-wise Analysis of Borrowers of Moneylenders (Contd…)

<table>
<thead>
<tr>
<th>Professions</th>
<th>No. of Borrowers</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployed</td>
<td>45</td>
<td>14</td>
</tr>
<tr>
<td>Artisan</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Retired Person</td>
<td>19</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>324</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Compiled from Questionnaire

The above table 2 is an effort to classify the individual beneficiaries of the PFIs according to their professions to find out that which category is the highest beneficiary of services of PFIs. From the data collected through questionnaires distributed to individual beneficiaries, it has been found out that 42 per cent of the beneficiaries are government employees, 30 per cent are doing business and 14 per cent are unemployed persons. It clearly shows that government employees also borrow money from PFIs for meeting their emergency needs.

8.3 Income Level of Borrowers of Moneylenders

It has attempted here to see that which income group of people generally approached the moneylenders for their credit needs.

Table 3. Income Level of Borrowers of Moneylenders

<table>
<thead>
<tr>
<th>Range of Borrowers’ Income per Month</th>
<th>No. of Borrowers</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Rs. 1000</td>
<td>24</td>
<td>8</td>
</tr>
<tr>
<td>Rs. 1000 – Rs. 5,000</td>
<td>92</td>
<td>28</td>
</tr>
<tr>
<td>Rs. 5,001 – Rs. 10,000</td>
<td>92</td>
<td>28</td>
</tr>
<tr>
<td>Rs. 10,001 – Rs. 15,000</td>
<td>72</td>
<td>22</td>
</tr>
<tr>
<td>Rs. 15,001 – Rs. 20,000</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Above Rs. 20,000</td>
<td>32</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>324</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Compiled from Questionnaire

The above Table No. 3 tries to analyze the income level of individual borrowers of registered moneylenders. From this table it is observed that 92 respondent beneficiaries each (28 per cent each) are having the income of Rs 1,000 to Rs 5,000 per month and Rs 5,001 to Rs 10,000 per month respectively whereas 22 per cent of the respondent beneficiaries (72) are having income of Rs 10,001 to Rs 15,000 per month. It can be stated that people at the income group of Rs. 15,001 to Rs. 20,000 are enjoying the least benefits from PFI services.

Reasons for Approaching Moneylenders by Borrowers

Here, an attempt has been made to become aware of the reasons for approaching moneylenders by various borrowers.

Table 4. Reasons for Approaching Moneylenders by Borrowers

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Reasons</th>
<th>No. of beneficiaries</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Simple procedures and documentation</td>
<td>60</td>
<td>18.52%</td>
</tr>
<tr>
<td>2</td>
<td>Speedy process &amp; sanction</td>
<td>120</td>
<td>37.04%</td>
</tr>
<tr>
<td>3</td>
<td>No need for guarantor</td>
<td>04</td>
<td>1.23%</td>
</tr>
<tr>
<td>4</td>
<td>Easy repayment methods</td>
<td>09</td>
<td>2.78%</td>
</tr>
<tr>
<td>5</td>
<td>No need for purpose loan</td>
<td>04</td>
<td>1.23%</td>
</tr>
<tr>
<td>6</td>
<td>Easy accessibility</td>
<td>112</td>
<td>34.57%</td>
</tr>
<tr>
<td>7</td>
<td>No limit for loan amount</td>
<td>07</td>
<td>2.16%</td>
</tr>
<tr>
<td>8</td>
<td>Long standing relationship</td>
<td>08</td>
<td>2.47%</td>
</tr>
</tbody>
</table>
Table 4. Reasons for Approaching Moneylenders by Borrowers (Contd. . . )

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Reasons</th>
<th>No. of beneficiaries</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Total</td>
<td>324</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Compiled from Questionnaire

Out of the total respondents, 37.04 per cent opined that it is for the reason of speedy process and prompt sanction of loans by the registered moneylenders and 34.57 per cent approached registered moneylenders because of easy accessibility to them. 18.52 per cent of the respondents viewed that it may be due to simple procedures and documentation. 1.23 per cent each respondent borrowers are approaching registered moneylenders for their credit needs as there is no need for guarantor and no need for the disclosure of the purposes of their loan. Some borrowers have selected the services of moneylenders for reasons like easy repayment methods, limitless loan amount as well as their long standing relationship with moneylenders.

Borrowers’ Preference towards Repayment Schemes

As per the convenience of the beneficiaries and according to the nature of their earnings, they have different choices and preferences regarding the schemes of repayment.

Source: Compiled from Questionnaire.

Chart 1. Borrowers’ Preference towards Repayment Schemes

Maximum numbers of borrowers i.e. 54 per cent (176 respondents) have the preference of monthly collection scheme of repayment. It may be because of the larger number of the service loans who wish to repay back through their salary. Another 30 per cent (96 respondents) of borrowers prefer daily collection scheme of repayment because they are businessmen and their income is regularly on daily basis whereas 16 per cent (52 respondents) of borrowers opted weekly collection scheme for repayment.

TESTING OF HYPOTHESIS

H₀: “There is no significant difference between the number of low income and high income borrowers of registered moneylenders”.

H₁: “Lesser number of the borrowers of registered moneylenders is low income people”.

According to NCAER (National Council of Applied Economic Research) 2009 the income of lower income group of people in India is less than Rs. 45,000 in a year (in a month Rs.4,000 approximately). Taking it as a reference, the borrowers of registered moneylenders are classified as lower income group (having monthly income of below Rs.4000 per month) and higher income group (having income of above Rs. 4,000).
Table 5. Borrowers’ Income Level

<table>
<thead>
<tr>
<th></th>
<th>Observed N</th>
<th>Expected N</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 4,000</td>
<td>109</td>
<td>162.0</td>
<td>53.0</td>
</tr>
<tr>
<td>Above 4,000</td>
<td>215</td>
<td>162.0</td>
<td>53.0</td>
</tr>
<tr>
<td>Total</td>
<td>324</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Compiled from questionnaire

Test Statistics

<table>
<thead>
<tr>
<th></th>
<th>Beneficiaries income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>34.679&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>df</td>
<td>1</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

Note: a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 162.0.

The calculated value of chi-square ($X^2$) = 34.679<sup>a</sup> at df=1, the P < 0.01 so the observed difference is significant and hence the null hypothesis is rejected. Therefore it can be concluded that the set hypothesis “Lesser number of the borrowers of registered moneylenders is low income people” is true.

FINDINGS OF THE STUDY

These findings are derived from the analyses of data that have been collected from 324 beneficiaries of 22 registered moneylenders operating in Imphal East and West districts through the questionnaire distributed to them. Some of the major findings are presented below:

1. Most of the borrowers of moneylenders are under metric, metric and graduates with 46 per cent, 22 per cent and 22 per cent respectively.
2. Most of the borrowers of moneylenders are government employees, businessman and unemployed persons with 42, 30 and 14 per cents respectively.
3. The income level of borrowers of registered moneylenders can be discussed as 28 per cent with Rs. 5,001 to Rs. 10,000 per month and 22 per cent with Rs. 10,001 to Rs. 15,000 per month.
4. 37 per cent, 35 per cent and 19 per cent of borrowers of registered moneylenders expressed that the reasons for their selection of registered moneylenders instead of banks are for speedy process and prompt sanction of loans, easy accessibility and simple procedures and documentations of registered moneylenders respectively.
5. 37 per cent and 32 per cent of beneficiaries face the problem of getting loans from banks due to long process and documentation and time lag between application and sanctioning of loans respectively as compare to moneylenders.
6. 21 per cent and 15 per cent of borrowers have expressed the purposes of their loans from moneylenders as for business and construction purposes respectively.
7. 30 per cent, 17 per cent and 16 per cent, 12 per cent and 10 per cent of borrowers have taken loans at the range of Rs 20,000 to Rs 30,000, Rs 5,000 to Rs 10,000; Rs 10,000 to Rs 20,000; Rs 30,000 to Rs 40,000 and above Rs 50,000 respectively from the registered moneylenders.
8. 45.68 per cent and 35.80 per cent of borrowers are satisfied with the present existing rate of interest charged by the registered moneylenders to great extent and to some extent respectively.
9. Around 57 per cent of borrowers of registered moneylenders are in association with these registered moneylenders for a period of 1 to 5 years and 5 per cent of them are in association with registered moneylenders for a period of more than 10 years.

10. 38 per cent, 21 per cent, 20 per cent and 12 per cent of borrowers have taken loans from registered moneylenders for the 1st time, 2nd time, 3rd time and more than 5th time respectively from registered moneylenders.

11. Around 68 per cent of the borrowers made timely repayment of loans to these registered moneylenders.

12. 54 per cent of registered moneylenders prefer the monthly collection scheme whereas 30 per cent prefer the daily collection scheme of registered moneylenders for the repayment of their loans as earlier borrowers are salaried persons and later are business persons.

13. 70 per cent of borrowers of registered moneylenders opined that their concerned registered moneylenders are charging 3 per cent rate of interest 26 per cent less than 3 per cent and only 4 per cent more than 3 per cent. 81 per cent of respondents feel that registered moneylenders are calculating interest at simple interest method.

SUGGESTIONS

In the light of the above discussions and its corresponding findings of the study, following constructive suggestions have been suggested: for further improvement of present PFIs operating in the state, bringing into the fold of a stringent control of a regulatory body under separate Money lenders Act of the state.

1. Neighbouring states like Nagaland and Assam are having their own Money lending Act. However, Manipur is following the money lending Act of Bombay which is outdated and not fit for the state’s requirement. It is strongly recommended to have our own Money Lending Act as per the requirement of the state’s registered moneylenders and other segments within the ambit of new Money Lending Act of Manipur.

2. Spreading the awareness that money lending is not an illegal business provided a license is obtained from the Registrar Cooperative Societies and working under guidelines of Money Lenders Act.

3. The registration officials of the state said that the Act was not effectively enforced because of the lack of adequate manpower and infrastructural support at the district level. To ensure its effectiveness, more teeth should be added to the Act so as to make it a deterrent for moneylenders to violate the cap on interest rates.

4. Economic Offence wing should be activated in the state as controlling body to protect the mass who want to invest in these PFIs which is in practice in the state of Tamil Nadu under Tamil Nadu Protection of Interest of Depositors (in Financial Establishments) Act, 1997.

5. Government provides incentives and subsidies from time to time to encourage as well as to set up Micro, Small and Medium enterprises in the country. The same provision should also be extended to registered moneylenders on the basis of performance/range of capital investment.

6. Registered moneylenders suggested the following changes in regulations to incentivize registration:
   i. To increase the validity period of the license.
   ii. To establish a separate court for the speedy disposal of disputes like consumer court.
   iii. To amend the Act to permit moneylenders to function as agents of banks.
iv. To popularize money lending legislation and making it hassle-free so that these registered moneylenders can operate as formal financial institutions.

7. The unregistered moneylenders operating in the state must be curbed, because they impaired the image of registered moneylenders under Bombay Money lenders Act.

8. Just like the nationalization of banks in India in the year 1969 and 1981, Government of Manipur especially finance department should think of a state bank in the name of ‘State Bank of Manipur’ by merging the registered moneylenders in the state. If it works out, all the existing registered money lending firms can be made as subsidiaries or branches after a thorough evaluation of their status.

CONCLUSION

Due to lack of proper rules and regulation, strict supervision and control, most of the registered moneylenders are still working with their own rules and norms. There is urgent need for stringent rule and regulation to control and bring the present registered moneylenders under a New Moneylenders’ Act of the state. People of the state should also be made aware of the legal status of registered moneylenders operating in the state particularly in Imphal West and Imphal East districts of Manipur.

Besides, measures to control and regulate these registered moneylenders, both the state and central governments should be taken some initiative to support the registered moneylenders because most of the time it is moneylenders money that had been lost due to cases of defaulters.

FUTURE STUDY

The future researchers who would like to do further research work can undergo their work in the following areas:

1. Regulations of Informal Financial Institutions in India.
2. Indigenous Banking in India.
3. Role of Unorganised Banking Sector in Indian Economy.
4. A Comparative Study of Performances of NBFCs and Commercial Banks in India.
5. Financial Services and Economic Development in India.

REFERENCES


ABSTRACT

Money laundering means to create money by doing illegal activities like drug trafficking, smuggling etc and it is not easy to understand the origin of funds. Using the modern technologies the Money launderers can easily transfer the illegal funds to their destination. Government of India passed the Money Laundering Act 2002 for controlling it. Hence the Bank officials are more vigilant in knowing their customers. For this purpose Reserve Bank of India provided guidelines to all commercial banks to record the details of customers as guidelines for ‘Know Your Customer Programme.’ It can help the banks to avoid the Reputation Risk, compliance Risk, and legal Risk. Reserve Bank of India has provided Guidelines for Identification of difference types of Customers. RBI has recently simplified the procedures of Know Your Customer and taken steps against the Regional Rural Banks and Urban Cooperative banks who failed to follow the guidelines provided by them.

Keywords: Money Laundering; RBI

INTRODUCTION

Money laundering means to create money by doing illegal activities like drug trafficking, smuggling etc and it is not easy to understand the origin of funds. Using the modern technologies the Money launderers can easily transfer the illegal funds to their destination. Hence the Bank officials are more vigilant in knowing their customers. For protecting the customers the Bank adopts the ‘know your customer’ policy. Money laundering is a process of concealing financial transaction to make illegitimate money dived from illegal activities, such as embezzlement or corruption or illegal gambling or terrorism or organized crime, appear legitimate.

OBJECTIVES

1. To understand the concept of Money Laundering.
2. To identify the role of RBI in preventing Money Laundering.
3. To understand about the ml prevention act 2002

Money Laundering

As mentioned in Economic and political weekly, January 28,2006 the failure on the part of concerned banks to implement know your customer guidelines is just as glaring. Though the Reserve Bank of India might have penalized the banks with a paltry sum, the pattern of transactions suggests a level of
connivance that demands investigation into the action of bank officials and severe action against them if need be. There is clearly a need for close coordination between the RBI and banks internal audit system for improved methods of surveillance as well as supervision.

According to shonk (2007) studied on Money laundering Through ATM transactions and found that it is a just one example of how community banks need to work to continually update their account monitoring and due diligence procedures to keep pace with money launderers and other financial criminals. Depository institutions need to update their fraud and money laundering identification and investigation tools as Money launderers develop new ways to hide suspicious banking activities.

According to Iyengar (2007) , the needs of the know your customer study to reduce the Reputation Risk, compliance Risk , and legal Risk.

- Risk of loss due to severe impact on the banks reputation. This may be of particular concern given the nature of the bank’s business which requires the confidence of depositors, creditors and the general Market place.
- Risk of loss due to failure of compliance with key regulations governing the banks operations.
- Legal Risk is the possibility of law suits adverse judgments or contract resulting from failure to observe mandatory KYC Standards or from the failure to Practice due diligence. Consequently the banks can suffer fines, criminal liabilities and special penalties imposed by supervisor.

Objectives of KYC(know your customer) is to ensure appropriate customer identification and to monitor transactions of a suspicious nature It also helps to control and Regulate the criminal offences like smuggling, drug trafficking and reduce the risk of identity theft, theft of currency , fraud and to understand the main origin of funds. The main objective is to conceal the origin of illegal proceeds and make them legally usable by changing them into legal money through strings of financial transactions. Money Laundering is now found as a wide spread problem all over the world. It is practiced by individuals, businessmen, officials and government. Hence financial entities have to take more dynamic approach. In order to reduce all risk, ongoing enhancement should be done. Simultaneously new risk and regulatory requirements are to be managed. In addition to that renewed focus is needed to look beyond simple name matching Pear group analysis, link analysis, and data matching. Every individual in financial institution should take a new approach. Financial institution should be aware of global practices and must take a risk based approach considering variation, in risks by customers, products, and country’s special requirements.

The Prevention of Money Laundering Act 2002

Prevention of Money Laundering Act (PMLA) forms the core of the legal frame work put in place by India to compact money laundering according to section 4 of PMLA, whoever commits the offense of Money Laundering shall be punishable with rigorous imprisonment for a term which shall not be less than 3 years, which may extend to 7 years and shall also be liable to fine.

Obligation under Prevention of Money Laundering Act 2002

Section 12 of PMLA places certain obligations of every banking company, financial institutions, and intermediary which

1. Maintaining a record of prescribed transactions
2. Furnishing information of prescribed transactions to be specified authority
3. Verifying and maintaining records of the identity of clients
4. Prescribing record in respect of 1, 2, and 3 above for a period of 10years from the date of completion of transaction with the client.
RBI Guidelines for KYC Identification of Different Types of Customers

**Accounts**

There are chances that trust/Nominee or fiduciary accounts can be used to outwit the customer identification procedures. Hence the banks should know whether the customer is acting on behalf of another person as Trustee/Nominee. While opening an account for a trust, banks should take enough precautions to verify the identity of the Trustee grantors, protectors, beneficiaries and signatories. The banks should identify when they are defined.

**Accounts of Companies and Firms**

Banks should take much care against business entities being used by individuals, as a ‘front’ for operating bank accounts. Banks should examine the control structure of the entity and the source of funds.

**Client Accounts Opened by Professional `Intermediaries**

If the bank knows that the client account opened by a professional intermediary is on behalf of a single client, the client must be identified. Banks may hold pooled accounts managed by professional intermediaries’ lawyers, chartered accountant or stock brokers. Funds held by the intermediaries are not co-mingled at the bank. There are such accounts. The bank should look through to the beneficial owners. The ultimate responsibility for knowing the customer lies with the bank. Beneficial ownership of the account should not be allowed to open an account on behalf of a client.

**Accounts of Politically Exposed Pensions Resident outside India**

Bank should gather sufficient information on politically exposed person. Banks should verify the identity of the person and seek information about the sources of finds Accounts of Non-Face-to Face customer.

By the introduction of telephone and electric banking, a customer can open account without visiting the bank branch. In the case non face to face customers there must be specific and adequate procedures to lessen the higher risk involved.

**Accounts of Proprietary Concerns**

In the case of proprietary concerns bank should require and verify the following documents before opening of accounts. Proof of the name, address and activity of the concern Registration certificate issued by the Municipal authorities under shop and Establishment Act, sales and Income Tax returns etc should be submitted.

**Accounts of Salaried Employees**

In the case of salaried employees some banks rely on a certificate issued by the employer as the only KYC document. Besides to the certificate from the employer, banks should insist on at least one of the officially valid documents like passport, driving license Pan Card Voter’s Identity card etc.

**Accounts of Foreign Students Studying in India**

NRE accounts may open a NRO bank account of a foreign student on the basis of his/her passport with appropriate Visa and Immigration Endorsement. It must contain the proof of identity and address n the home country with a photograph and a letter offering admission from the educations institution. Student with Pakistani nationality will need prior approval of the RBI for opening the account.

**Opening Of Saving Accounts and Credit Linking Of Account for Self Help Groups**
Walk-In – Customers

In case of transactions carried out by a non account based customer, that is a walk- in-customer. Where the amount of transaction is equal to, or exceeds Rs.50,000/-, whether conducted at a single transaction, or several transactions, that appeared to be connected to the customers identity and address should be verified. If a bank has reason to believe that a customer is intentionally structuring the transaction into a series of transactions below Rs.50,000/- the bank should verify the identity and address of the customer and also consider filing a suspicious trans report (STR) to FIU –IND(Financial Intelligent Unit-India). KYC verification of all the members of SHG need not be done while opening the saving Bank account of SHG. KYC verification of all the office bearers would suffice.

CONCLUSIONS

Money Laundering is the method by which criminals disguise the illegal origins of their wealth and protest their asset basis. The ability to prevent and detect Money Laundering is the highly effective means of identifying criminals and terrorists and the underlying activity from which money is derived. Money Laundering cycles can be broken down into three stages, namely placement stage, layering stage, and integration stage. Money Laundering can erode a nation’s economy by changing the demand for cash, making interest and exchange rates more volatile and by causing high inflation of country’s where criminals are doing business. So RBI has imported many rules and restrictions on banks and financial institutions to prevent Money Laundering. KYC is the most important one among them. The Central bank has also asked to the government to take stern action against any other erring Urban Co-operative bank for Money Laundering. UCB are inspected annually or one in year depending on their rating. RBI has aggressively persuaded the issue and around 6 UCBs where closed as they were suspected of being used to route illegal.

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EMPLEYES RELATIONS AMONG TEACHERS OF HIGHER EDUCATION INSTITUTIONS HIGHER EDUCATION INSTITUTIONS OF MADHYA PRADESH

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ABSTRACT
The union of teachers is a continuing organisation of their establishment meant for the protection and improvement of economic and social status of its members through collective action. In India, its Executive Body plays most vital and effective role to achieve better wages, fringe benefits and redressing the grievances. It also aids in securing effective representation and security against management. In the present study an attempt have been made to evaluate the employees relations of among teaching staff of the higher education institutions.

The employees relations of teachers in Higher Education Institutions appears to be good. The average mean score and percentage of 12 items has been calculated 3.41 (60.25%) for group A, 3.49 (62.25%) for group B, 3.83 (70.75%) for group C. The average mean score and percentage of the overall employees relation of 12 items has been calculated at 3.6 (65%).

Keywords: Employees Relations; Higher Education; Institutions; Teachers Union

INTRODUCTION
The union of teachers is a continuing organisation of their establishment meant for the protection and improvement of economic and social status of its members through collective action. In India, its Executive Body plays most vital and effective role to achieve better wages, fringe benefits and redressing the grievances. It also aids in securing effective representation and security against management. In the present study an attempt have been made to evaluate the employees relations of among teaching staff of the higher education institutions.

OBJECTIVES
1. To study the overall employees relations among teaching staff of the higher education institutions.
2. To analyse the factor wise employees relations in the higher education institutions.
3. To assess the variations of employees relations in different group of employees in the higher education institutions.

METHODOLOGY
With a view to analysing the employees relations of teachers in higher education institutions, questionnaires distributed among the various cadres of I Group A (University Professors & College Principals), II Group B (University and College Associate Professors), III Group C (University and College Assistant Professors). To measure the employees relations a 12 items employees relations survey questionnaire was administered to the selected respondents. To ensure the study more purposeful selection of institutes and respondent for data collection was made in such manner, in
which the representation of teachers from various higher education institutes i.e. university teaching departments; post graduate, under graduate; boys, girls; science, art, law, commerce; private, govt., semi govt.; excellence, autonomous and affiliated colleges was included. The scoring was analysed on five point scale and score was simplified in percentage as per the formula of Rao (1991) i.e. 

\[
\text{Percentage score} = \frac{\text{Mean score}}{5} \times 25
\]

Five categories of gradation were very good, fairly good, good, average and poor.

RESULT

Employee’s Relations in the Higher Education Institutions:

The table 1 & 2 and fig 1 & 2 under reference shows the item wise mean score and percentage of group A, B & C and overall employees relation survey of teachers of the Higher Education Institutions. Some of the trends noticed are given below. The employees relations of teachers in Higher Educations Institutions appears to be good. The average mean score and percentage of 12 items has been calculated 3.41 (60.25%) for group A, 3.49 (62.25%) for group B, 3.83 (70.75%) for group C. The average mean score and percentage of the overall employees relation of 12 items has been calculated at 3.6 (65%).

The important factors contributing fairly good scores to the employees relation are approach to work of Teacher union (item-1), attention of Union to teacher problems (item-7), trust with Teacher Union (item-10). Other important items which resulting good score are; authorities cooperation to the teacher union (item-2), contribution of union in the development of Institution (item-3), leadership in union (item-4), unity in teacher union (item-6), union correlate the relationship with teachers and authorities (item-4) teachers support the teacher union (item-8) teacher union is important part of institution (item-9), the administration of institution tries to implement the suggestions related to employees welfare (item-11), teachers join the teacher union (item-12).

<table>
<thead>
<tr>
<th>S. N.</th>
<th>Group A MS % Score</th>
<th>CAG % Score</th>
<th>Group B MS % Score</th>
<th>CAG % Score</th>
<th>Group C MS % Score</th>
<th>CAG % Score</th>
<th>Overall MS % Score</th>
<th>CAG % Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3.833</td>
<td>70.833</td>
<td>FG</td>
<td>3.79</td>
<td>69.75</td>
<td>G</td>
<td>3.873</td>
<td>71.831</td>
</tr>
<tr>
<td>2</td>
<td>3.738</td>
<td>68.452</td>
<td>G</td>
<td>3.693</td>
<td>67.325</td>
<td>G</td>
<td>3.838</td>
<td>65.97</td>
</tr>
<tr>
<td>3</td>
<td>3.666</td>
<td>66.666</td>
<td>G</td>
<td>3.58</td>
<td>64.15</td>
<td>G</td>
<td>3.875</td>
<td>71.875</td>
</tr>
<tr>
<td>4</td>
<td>3.238</td>
<td>55.952</td>
<td>AV</td>
<td>3.209</td>
<td>55.175</td>
<td>AV</td>
<td>3.943</td>
<td>73.591</td>
</tr>
<tr>
<td>5</td>
<td>3.119</td>
<td>52.976</td>
<td>AV</td>
<td>3.387</td>
<td>59.675</td>
<td>AV</td>
<td>4.013</td>
<td>75.325</td>
</tr>
<tr>
<td>6</td>
<td>3.509</td>
<td>57.976</td>
<td>AV</td>
<td>3.295</td>
<td>57.375</td>
<td>AV</td>
<td>3.888</td>
<td>72.2</td>
</tr>
<tr>
<td>7</td>
<td>3.073</td>
<td>51.829</td>
<td>AV</td>
<td>3.338</td>
<td>58.45</td>
<td>AV</td>
<td>3.805</td>
<td>70.137</td>
</tr>
<tr>
<td>8</td>
<td>3.511</td>
<td>62.78</td>
<td>G</td>
<td>3.5</td>
<td>62.5</td>
<td>G</td>
<td>3.847</td>
<td>71.18</td>
</tr>
<tr>
<td>9</td>
<td>3.585</td>
<td>64.632</td>
<td>G</td>
<td>3.629</td>
<td>65.725</td>
<td>G</td>
<td>3.708</td>
<td>70.75</td>
</tr>
<tr>
<td>10</td>
<td>3.56</td>
<td>64.024</td>
<td>G</td>
<td>3.645</td>
<td>66.125</td>
<td>G</td>
<td>3.916</td>
<td>72.916</td>
</tr>
<tr>
<td>11</td>
<td>3.243</td>
<td>56.097</td>
<td>AV</td>
<td>3.467</td>
<td>61.675</td>
<td>G</td>
<td>3.805</td>
<td>70.139</td>
</tr>
<tr>
<td>12</td>
<td>3.073</td>
<td>51.829</td>
<td>AV</td>
<td>3.393</td>
<td>59.825</td>
<td>AV</td>
<td>3.694</td>
<td>67.36</td>
</tr>
<tr>
<td>Avg.</td>
<td>3.41</td>
<td>60.25</td>
<td>G</td>
<td>3.49</td>
<td>62.25</td>
<td>G</td>
<td>3.8338</td>
<td>70.75</td>
</tr>
</tbody>
</table>
Table 2. Item wise degree distribution of Employee's Relations in Higher Education Institutions

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Category</th>
<th>Percentage</th>
<th>Item No.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Very Good</td>
<td>80 to 100%</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2.</td>
<td>Fairly Good</td>
<td>70 to 80%</td>
<td>1</td>
<td>01</td>
</tr>
<tr>
<td>3.</td>
<td>Good</td>
<td>60 to 70%</td>
<td>2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12</td>
<td>11</td>
</tr>
<tr>
<td>4.</td>
<td>Average</td>
<td>50 to 60%</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>5.</td>
<td>Poor</td>
<td>Less than 50%</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td>12</td>
</tr>
</tbody>
</table>

Categories: P = Poor, AV = Average, G = Good, FG = Fairly Good, VG = Very Good

Table 3. Preference Wise Reasons for Joining To the Union (Multiple Responses)

<table>
<thead>
<tr>
<th>S. N.</th>
<th>Reasons</th>
<th>Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>A</td>
</tr>
<tr>
<td>1.</td>
<td>More benefits</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Better working conditions</td>
<td>1</td>
</tr>
<tr>
<td>3.</td>
<td>Security during trouble</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Greater say to administra</td>
<td>2</td>
</tr>
<tr>
<td>5.</td>
<td>Persuasions of teachers</td>
<td>-</td>
</tr>
</tbody>
</table>
As evident from the Table- 3 the teachers of the Group A have preferred better working conditions, over greater say to administration. The teachers of Groups B and C have preferred over the better benefits over the better working conditions. Obviously the teachers of Group A have overlooked all other reason.

Good employees relations are based upon a climate of all pervading harmony, adjustment and balance between the parties namely, the employees and the employer. A sense of co-ownership, co-responsibility and continuous introspection should exist. It should always be borne in mind that the work is a pious service of man to his creator and to his fellow men. The employees are the backbone of an organisation and should keep themselves away from any separatist activity based on political and religious beliefs, race, sex etc. The artisans, workers and management are considered as members of one family. The employer-employee dichotomy should not exist / persist.

Now-a-days the employees unions turn to political parties for protection against management, and more generally, to pursue bargaining goals through intervention and pressure tactics. In the interest of democratic functioning the institutions are required to ensure that at least 1/3 of the members of the Managing Committee are chosen from the artisans and employees under prescribed rules and guidelines. The unions should try to maintain internal democracy. The unions should play effective role by becoming a partner to the endeavour of developmental climate in the institution. Unions should no traditionally confine their role to communicate only service conditions as employees too want to know about the goals, missions, and diversification plans etc. The unions ought to be as progressive as the Management. Sometimes, the progressive attitude and objectivity of the union can be misunderstood by insensitive management and can be taken as weakness of the union (Khandelwal, 1997).

Unity has always been the strength hence, apart from differences in opinion employees should force their organisations to come on a single platform, be united and firm to their reasonable demands.

CONCLUSION

The employees relations of teachers in Higher Educations Institutions appears to be good. The average mean score and percentage of 12 items has been calculated 3.41 (60.25%) for group A, 3.49 (62.25%) for group B, 3.83 (70.75%) for group C. The average mean score and percentage of the overall employees relation of 12 items has been calculated at 3.6 (65%). With regard the employees relations and variation the finding reveals that there is correlation in different cadres of teachers. The result revealed that the employees relations of teachers in higher education institutions corroborated with the hypothesis.

SUGGESTIONS

1. The teachers in general and the teacher unions in particular should pay special attention in the constructive and development approaches of the institutions.

2. The teacher unions should be alert about their rights and duties, in addition, should work with discipline.

3. The teacher unions should be considered as an important constituent of institutions administration.

4. The teacher unions should form a link or act as a cohesive force between the teachers and the institutions with due consideration to the teachers interest.

5. The teacher unions should try to boost the moral and self-confidence, further; they should be protected from injustices and exploitation etc.

6. The sense of responsibility should prevail and be inculcated in the teachers.
7. The unity should be established amongst the teacher unions so that they can make joint efforts with dedication in the interest of teachers and the institutions, it should always be remembered that the unity provides strength.

Hence, all the teachers should collectively with strong leadership to create better impact on administration as well as in the direction of better employee’s relations.

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CAUSES FOR THE CREATION AND EXPANSION OF SLUM

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ABSTRACT

Slums exist in every country and have become a global phenomenon. Improving quality of life in the slum is one of the millennium development goals of United Nations. Rural people migrate to urban in search for better jobs, better schools for their child and for diverse income opportunities. Migrated rural poor people with their lack of skills and high competitive market forces them to settle in low cost house is one of the reasons for the expansion of slums. The increasing rates of population in the urban cities are increasing at uncountable rate and to prevent the overcrowding in the urban cities, government should focus on creation of new mega city with employment opportunities as per their skill.

Keywords: Slum; Urbanization; Rural-Urban Migration

DEFINITION

As per India, under section-3 of the Slum Area Improvement and Clearance Act, 1956, slums have been defined as mainly those residential areas where dwellings are in any respect unfit for human habitation by reasons of dilapidation, overcrowding, faulty arrangements and designs of such buildings, narrowness or faulty arrangement of streets, lack of ventilation, light, sanitation facilities or any combination of these factors which are detrimental to safety, health and morals.

As per UN Habitat a slum is characterized by lack of durable housing, insufficient living area, and lack of access to clean water, inadequate sanitation and insecure tenure.

INTRODUCTION

In 2012, according to UN-Habitat, about 863 million people in the developing world lived in slums. The Slum population in India has increased during 2001-11. There are around 1 billion slum dwellers in the world, and expected to grow to 1.4 billion by the year 2020.

Slums form and grow in many different parts of the world for many different reasons. Some causes include rapid rural-to-urban migration, economic stagnation and depression, high unemployment, poverty, informal economy, poor planning, politics, natural disasters and social conflicts. Strategies tried to reduce and transform slums in different countries, with varying degrees of success, include a combination of slum removal, slum relocation, slum upgrading, urban planning with city wide infrastructure development, and public housing projects.

OBJECTIVES OF THE STUDY

1. To understand the review of literature in related area.
2. To find out the causes for creation and expansion of slum.
Causes for the Creation and Expansion of Slum

There are various causes for the creation and expansion of the slum; some of the causes are as follows-

1. Rural-urban migration: The proportion of people working in agriculture has declined by 30% over the last 50 years, while global population has increased by 250%. Rural-urban migration is one of the major causes for the formation and creation of slum. Many people attracted to urban areas in the search of diverse income opportunities and better education to their child. However, most of the time rural migrants are unable to get immediate jobs, which leads to their financial shortage. On the other hand, many cities do not provide low-cost houses to the large number of rural migrants and ultimately settle down in affordable slums.

Urbanization: It is closely linked to the formation of slum. Rapid urbanization creates economic growth, which attracts people to get employment and investment opportunities in urban areas. However, as known poor urban infrastructure and insufficient housing, the local governments are unable to manage large populations which gives rise to slum.

Poor Housing Planning: Lack of budget home and poor planning encourage the expansion of slum. Lack of financial resources and lack of coordination in government bureaucracy are the two main reasons for slum development.

Colonialism and Segregation: In today’s world, some of the slums are the product of urbanization brought by colonization. For instance, in the nineteenth century, Nairobi is the example of Colonialism, during the nineteenth century European arrived in Kenya and created urban centers to fulfill their financial interests. Similarly, many slums were created on the basis of segregation by color. Lagos, Nigeria is the example of Segregation.

Poor Infrastructure, Social Exclusion and Economic Stagnation Informal Economy: Poor infrastructure and social exclusion force the economically poor people to adjust in situations beyond his or her control. Poor families are unable to afford transportation costs and lack of transportation forces the worker to settle near their work place. Similarly, in economic stagnation situations, people do not want to take risk and settle themselves in slum.

Poverty: Urban poverty is also the major factor for the development of slum. With migration of rural poor people, poverty is also migrating to urban areas. The poor people arrives with hope, he or she normally has no access to basic amenities. For them, slums are only the options to settle themselves. Poverty is strongly correlated to slum formation.

Politics: Many local and national level politicians for their political interest, subverted efforts to remove, reduce or upgrade slums into better housing options for the poor. During the second half of the 19th century, i.e. political parties of the French relied on votes of slum population and they are engaged in maintaining that voting bloc. Replacement and removal of slums created a conflict of interest, and politics prohibited efforts to remove, relocate or upgrade the slums into housing projects that are better than the slums. Similar situations are found in the slum of Brazil, slums of India, and slums of Kenya.

Social Conflicts: Millions of Lebanese people formed slums throughout the civil war from 1975 to 1990, likewise in recent years; many slums have sprung around Kabul to accommodate rural Afghans escaping Taliban violence.

Informal economy: Development of informal economy creates employment opportunities and attracts workers. Informal economy is that part of economy which is neither registered as a business nor licensed, they do not pay any tax and not monitored by local or state or federal government. Informal economy grows faster than formal economy when government laws and regulations are opaque and excessive, government bureaucracy is corrupt and abusive of entrepreneurs, labor laws are strict, or when law execution is poor.

Natural Disasters: Peoples migrate to unaffected areas from affected areas due to major natural disaster in poor nations. Initially, migrated people settle in temporary tent in cities which creates...
expansion of existing slum. With time passes these slums convert into permanent as these migrated peoples do not want to leave the current place. Slums near Port-au-Prince after the 2010 Haiti earthquakes and slums near Dhaka after 2007 Cyclone are the example of natural disaster.

CONCLUSION

It may be concluded that there is an integrated impact of several causes for the creation and expansion of slum area in national and international level. Some important causes for the creation and expansion of the slums are rural-urban migration, urbanization, poverty and politics. However in recent year dramatic growth is found in number of slums as urban populations has increased in developing countries. To achieve the goal of cities without slums government must take vigorous urban planning, city management, infrastructure development, poverty reduction and slum upgrading.

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OBJECTIVES OF ESTABLISHING BELOW POVERTY LEVEL SELF HELP GROUP: A CASE STUDY OF MARATHWADA REGION

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ABSTRACT
Self Help Group driven Micro Finance Programmes have been receiving a significant attention world over to support rural livelihood programme. However, only a few studies rigorously examine the link between microfinance and causes of loan distribution from SHG. Self Help Group development go through the phases like coming together, gain knowledge to work together, defining norms for better work culture and finally being able to work together. Whenever people think to start Self Help Group activity, they have some strong reasons like to habituate for regular small saving, to assure loan for business, work as bank in village, to habituate to use loan credit, to build organization, to develop lifestyle of woman etc.

In the above mentioned backdrop, we conducted a study to assess the objectives to start Self Help Group activities. The objective of this study is find out the objectives to start Self Help Group activities and further analyze weather the SHG are fulfill their objectives.

The study used a stratified random sampling methodology, the strata being district, block, SHG and members. This study is focus on the below poverty level women Self Help Groups. Their registration process is driven by Swarnajayanti Gram Swarozgar Yojana and Gram Panchyat. In Marathwada region according to Swarnajayanti Gram Swarozgar Yojana 68133 SHG are registered on 31st March, 2010. From these strata 1% samples are selected from each district i.e. 680 for this study.

During this study, we observe the initial objectives of SHG sometimes are being changed as SHG becomes matured. Therefore, the data is collected year wise objectives i.e. from one year to seven year of SHG. The study concluded that early phase SHG objective is to habituate for regular small saving and matured SHG objectives is mixed.

Keywords: Micro Finance; Self Help Group; Woman Empowerment

INTRODUCTION
Micro-finance has received considerable attention among researchers, policymakers and financial service providers. It has been considered a powerful instrument for achieving ‘financial inclusion’ and alleviation of poverty, enabling the rural poor to increase their income opportunities and reduce economic vulnerability. The Self Help Group (SHG)–Bank linkage programme, implemented by the National Bank for Agriculture and Rural Development (NABARD) since 1992,[1] Self Help Groups (SHGs) are becoming one of the important means for the empowerment of poor women in almost all the developing countries including India. Kerala is no exception as regards the role played by women’s collectives, known by different names for emancipation and empowerment of poor women.[2] NABARD has defined micro finance as follows: “Micro finance is all about provision of thrift, credit and other financial services and products of very small amount to the poor in rural, semi urban and urban areas for enabling them to raise their standard of living.” UN declared the year 2005 as year of
micro credit since the policy makers of UN supported the view that micro finance is an instrument to fight against poverty. According to Nobel Committee, micro finance can help the people to break poverty, which in turn is seen as an important prerequisite to establish long last peace.[3]

OBJECTIVES

The objective of this research paper is find out the objectives to start Self Help Group activities and further analyze weather the SHG are fulfill their objectives. It was hypothesized that the initial objectives of SHG sometimes are being changed as SHG becomes matured i.e. early phase SHG objective is to habituate for regular small saving and matured SHG objectives are mixed.

The main objective of this research paper is to verify above mentioned hypothesis.

RESEARCH METHODOLOGY

a. Area of Study

1. Aurangabad, Jalana, Latur, Beed, Parbhani, Usmanabad, Hingoli and Nanded districts from Marathwada region are considered for this study.

2. Only Below Poverty Level Women Self Help Groups are considered for this study.

b. Sample Size

This study, focus on the below poverty level women Self Help Groups. Their registration process is driven by Swarnajayanti Gram Swarozgar Yojana and Gram Panchyat. In Marathwada region according to Swarnajayanti Gram Swarozgar Yojana 68133 SHG are registered on 31st March, 2010. District wise SHG formed by SGSY are shown in Table 1.

Table 1. District wise Below Poverty Level SHG in Marathwada Region

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>District</th>
<th>No. of SHG</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Aurangabad</td>
<td>8977</td>
</tr>
<tr>
<td>2.</td>
<td>Jalana</td>
<td>5175</td>
</tr>
<tr>
<td>3.</td>
<td>Latur</td>
<td>13690</td>
</tr>
<tr>
<td>4.</td>
<td>Beed</td>
<td>10033</td>
</tr>
<tr>
<td>5.</td>
<td>Parbhani</td>
<td>6741</td>
</tr>
<tr>
<td>6.</td>
<td>Usmanabad</td>
<td>7876</td>
</tr>
<tr>
<td>7.</td>
<td>Hingoli</td>
<td>4070</td>
</tr>
<tr>
<td>8.</td>
<td>Nanded</td>
<td>11571</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68133</strong></td>
<td></td>
</tr>
</tbody>
</table>

From these strata 1% samples are selected from each district i.e. 680 for this study. District wise sampling is shown Table 2.

Table 2. District wise Below Poverty Level SHG in Marathwada Region: Sampling for research

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>District</th>
<th>No. of SHG</th>
<th>Selected Samples (1%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Aurangabad</td>
<td>8977</td>
<td>89</td>
</tr>
<tr>
<td>2.</td>
<td>Jalana</td>
<td>5175</td>
<td>52</td>
</tr>
<tr>
<td>3.</td>
<td>Latur</td>
<td>13690</td>
<td>137</td>
</tr>
<tr>
<td>4.</td>
<td>Beed</td>
<td>10033</td>
<td>100</td>
</tr>
<tr>
<td>5.</td>
<td>Parbhani</td>
<td>6741</td>
<td>67</td>
</tr>
<tr>
<td>6.</td>
<td>Usmanabad</td>
<td>7876</td>
<td>79</td>
</tr>
<tr>
<td>7.</td>
<td>Hingoli</td>
<td>4070</td>
<td>41</td>
</tr>
<tr>
<td>8.</td>
<td>Nanded</td>
<td>11571</td>
<td>115</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68133</strong></td>
<td></td>
<td><strong>680</strong></td>
</tr>
</tbody>
</table>

For this study random sampling method is used.
DATA ANALYSIS

Whenever people think to start Self Help Group activity, they have some objectives like to habituate for regular small saving, to assure loan for business, work as bank in village, to habituate to use loan credit, to build organization, to develop lifestyle of woman etc. we conducted a study to assess the objectives to start Self Help Group activities. For this purpose questionnaire was prepared and form this questionnaire data is collected as shown in Table 3.

Table 3. Year wise Objectives to establish Below Poverty Level SHG

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Objectives</th>
<th>Year wise percentage of SHG</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 Yr</td>
</tr>
<tr>
<td>1.</td>
<td>To Habituate for regular saving</td>
<td>42</td>
</tr>
<tr>
<td>2.</td>
<td>To finance for Business</td>
<td>16</td>
</tr>
<tr>
<td>3.</td>
<td>To work as bank at village</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>To habituate to use loan credit</td>
<td>2</td>
</tr>
<tr>
<td>5.</td>
<td>To build union</td>
<td>9</td>
</tr>
<tr>
<td>6.</td>
<td>For Women Empowerment</td>
<td>12</td>
</tr>
<tr>
<td>7.</td>
<td>All Above</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

CONCLUSION

From above table it is cleared that the objectives of SHG are dynamic in nature as period of maturity increases the objectives become more and more clear. At initial state i.e. 1 year SHG are focusing on habituation of regular saving up to 42%. As SHG become more mature i.e. 7 year, the main objective become to finance for business (42%) and similarly for women empowerment (30%).

REFERENCES


7. NABARD (2004), Regional Office, Bangalore.


10. Abbas Manthari (2003), A Study of Women Self Help Groups in Madurai District.


ABSTRACT

Every business organization is a part of society. There exist a reciprocal relationship between business and society. It uses the resources of the society and depends on the society for its functioning. The Companies Act, 2013, has made it mandatory for companies to be socially responsible by introducing the ‘Corporate Social Responsibility’ (CSR) regime. Unfortunately CSR is a tool in the hands of a business organization to cover up negative impacts and thereby boosting company’s image. Social responsibility is a voluntary effort on the part of business to take various steps to satisfy the expectation of the different interest groups such as owners, investors, employees, consumers, government and society or community. In light of the facts the present paper focuses on every business organization should focus on social sustainability rather than CSR.

Keywords: Business; Corporate Social Responsibility; Social Sustainability

INTRODUCTION

In a rapidly changing business world sustainability and CSR are not novel concepts but now business is focusing beyond CSR. Here Sustainability gains importance.

Corporate Social Responsibility is a commitment to employees, customers, suppliers and society at large. The new Companies Act, 2013, has made it mandatory for companies to be socially responsible by introducing the ‘corporate social responsibility (CSR)’ regime. Section 135 of the new Companies Act, states that companies meeting certain criteria to set aside two percent of their net profits for undertaking and promoting socially beneficial activities and projects in India. CSR brings about the following benefits

- Improved performance
- Enhanced profitability
- Enhanced employer-employee relations
- Better relationship with communities and legal regulators
- Boost organizations image
- Customer retention
- Customer delight
OBJECTIVES OF THE STUDY

1. To understand the concept of Corporate Social Responsibility
2. To understand the concept of Social Sustainability
3. To analyze the importance of Social Sustainability over Corporate Social Responsibility in present scenario

Pitfalls of CSR

CSR approach is just donating a portion of their profits to a charity of their choice, to prove to the public that they are working towards the betterment of the society. CSR also helps to boost the company’s image but has failed to fulfill its core purpose – to build stronger relationships with the external world. CSR programs tend to be failed in long term perspective. Companies often exercise it in protecting their reputations and to meet legal requirements.

Building a socially sustainable business-Need for today

In a dynamic world, every business has to meet lot of competitions and to fulfill expectations. Customer satisfaction is not the primary target of business now a day, but to transform the customer as a delighted one. Every business organization is a part of society. There exist a reciprocal relationship between business and society. It uses the resources of the society and depends on the society for its functioning. This creates an obligation on the part of business to look after the welfare of society. So all activities of the business should be in a way to support the multi faceted dimensions of society. Here business should opt for social sustainability rather than corporate social responsibility. Social sustainability involves protecting the mental and physical health of all stake holders, encouraging community, treating all stakeholders fairly and providing essential services. Social Sustainability is based on a simple principle: everything that we need for our survival and well-being can exist in productive harmony, that permit fulfilling the social, economic and other requirements of present and future generations. It is all about enabling and maintaining quality of life for people. Building a sustainable business demands the wholehearted adoption of ethical and sustainable business behaviors.

Sustainable business practices are practices that are environment friendly, socially equitable, and economically feasible. Some of the sustainable business practices are listed below.

- Take care of needs of all its stake holders
- Aim at customer retention and customer loyalty that will ultimately leads to profit maximization
- Function within the demarcation of regulations of government
- Indulge in generous activities that could benefits the society
- Participate in community development programs
- Opt for green decisions that benefit the environment
- Solving societal problems by utilizing organization’s core competence
- Due care should be taken to see that all activities are beneficial for its surrounding environment

Social sustainability management is about incorporating social, economic and environmental factors into business decisions. It involves placing an emphasis on future, long term goals for your business rather than focusing on short term profits. Businesses large and small can contribute to social sustainability-to improving local and global social conditions of workers, their families, communities
and society at large. There are many social challenges which are barriers to advancing sustainable development, including poverty, unemployment and social exclusion and the social problems related to safety, inequality, health and working circumstances. Business can play a role to address these issues by fostering worker and community well-being, generating many intrinsic and financial benefits as a result.

CONCLUSION

Social sustainability is a voluntary effort on the part of business to take various steps to satisfy the expectation of the different interest groups such as owners, investors, employees, consumers, government and society or community. CSR is an obligation while social sustainability is a voluntary practice. In the current scenario companies have to recognize big issues- climate change, global poverty and income inequality and it cannot be left to governments or NGOs to solve. Only business has the creativity, the power and the scale to make really big things happen. So every business organizations should adopt social sustainability and should go beyond CSR.

REFERENCES

8. www.csr-company.com
9. economictimes.indiatimes.com
ABSTRACT

Saving is excess of income over expenditure for any economic unit. Saving is income not spent or deferred consumption. Methods of saving include putting money aside in a bank or pension plan. It is the process of setting aside a portion of current income for future use, or the resources accumulated in this way over a given period of time. Savings may take the form of bank deposits and cash holdings or securities. How much individuals save is affected by their preferences for future over present consumption and their expectations of future income. People have been practicing saving since time immemorial in either one or the other forms. Every housewife in the family has been saving in different ways. But, in the modern trends of fast economic development, traditional methods of savings need to be changed. Mobilising such small savings needs the role of various small saving agents. Knowledge of various small saving schemes and their benefits can be explained by these agents to the small savers of rural India.

Keywords: Small Savings; Small Saving Agents; Small Saving Schemes; Commission of Agents; National Small Savings Fund; Postal Savings Bank

OBJECTIVE OF THE STUDY

Followings are the main objectives of the study

1. To study the role of agents in the small savings schemes in Manipur.
2. To study the causes of low performance of small savings schemes in Manipur.
3. To study the types of savers registered under the agents of small savings schemes.
HYPOTHESIS OF THE STUDY

The following hypothesis has been set to test -

“Average monthly percentage saving of Manipur is 25%”.

REVIEW OF LITERATURE


Mohbarsha Ramlal (1994) in his study small savings in India examined the economic significance of small savings in India. He’s study highlighted small savings schemes in India as one of the country’s most viable financial options.

Talukdar, Umesh (2003) in his work on the pattern of rural saving and its investment in the economic development of Assam with special reference to Nalbari District, Assam critically analysed the various aspects of saving and investment and its role in the economic development of Assam.

Joseph, M.A. (2004) who had made a study on mobilization of saving through mutual funds highlighted the importance of mutual funds in mobilisation of saving from people. The study also analysed the merits and demerits of mutual funds as a means of mobilisation of saving to the investing community.

RESEARCH METHODOLOGY

The primary data are used for the present study. The primary data were collected from 50 agents of small savings schemes and 305 small investors under them with the help of a semi-structured questionnaires covering various aspects of the saving and investment under the study. Single sample t-test had been used for testing the hypothesis.

Types of Agents of Small Savings Schemes

Various agencies functioning at present are (a) Standardised Agency System (SAS), (b) Mahila Pradhan Kshetriya Bachat Yojna (MPKBY) and (c) Public Provident Fund Agency Scheme (PPF).

(a) Standardised Agency Systems: The agents under the SAS are authorised to canvass and receive investments from individuals in 1 year, 2 years, 3 years and 5 years POTD accounts, National Savings Certificate, VIII-Issue, Kisan Vikas Patra and Post Office Monthly Income Scheme. At present, in Manipur there are 324 SAS agents on roll and collecting Rs. 2.80 crores per month.

(b) Mahila Pradhan Kshetriya Bachat Yojna: Only women are eligible to become MPKBY agent. In Manipur, so far, there are 337 MPKBY agents on roll and collecting about Rs. 96 lakhs per month. In India there are more than 1,70,500 MPKBY agents and collecting more than Rs. 35,000 crores annually.

(c) Public Provident Fund Agency: In this scheme, the agents are to canvass for investments from individuals, through which they are entitled for a commission. There are about 30,500 PPF agents throughout India with a collecting of more than Rs. 3000 crores annually. In Manipur there are 10 PPF active agents and are collecting about Rs. 1 crore annually. Both men and women are eligible to become PPF agent.

Role of Small Savings Agents

Small savings agents play vital role in small savings collection. They play a key role in mobilisation of resources and are the basic link between the savings products and the investors. Small savings agents have been playing an important role in creating awareness of and popularizing small savings schemes.
They can help reduce the adverse impact of a number of attributes that are important for the institution, but are unpopular among clients.

The role of agents is linked to many attributes - security, distance, availability of loans, simple process, friendly staff and flexibility in rules. The multiple role of agents came up repeatedly as an integral part of a savings product design. The agents affect many of the product attributes.

**Security** - Agents, if from the local area and known to the people, can play a significant role in establishing loyalty to a brand. They promote the acceptability of small savings products and reputations of institutions.

**Distance** - Perceived physical distance of an institution that employs agents is largely influenced by the level of efficiency of the agent. They take care of all of the paper works that acts as a deterrent for low-income people to access formal financial services. Promotion by agents and support in documentation can encourage people to save in organised sector.

Small savings agents make the customers understand about the scheme, new rules and regulations, take timely payments from them, deposit in banks and maintain their records. However, some agents also misguided the investor by supplying wrong information.

NSI conducted a market research on “The Role of Agents in Marketing of Small Savings Product” at Patna (Bihar State). Some of the findings of this market research are:

- More than 65 per cent of the respondents were aware of the fact that the services of agents adds to the cost of deposit, even though they prefer to avail services of National Savings Agents.
- 75 per cent of the respondents were highly satisfied with the services of National Savings Agents.
- Study depicts that the National Savings Agents have prominent role to play towards the potential investors who have ignorance about financial market.
- Role of National Savings Agents can not be underestimated as they are set to play an important role in the modern financial sector which is becoming competitive day by day.

However, delivering financial services through agents has pitfalls. We find many cases of fraud by agents. The risk of fraud is higher with agents because they are not staff members of the institution and thus have less commitment and are more difficult to tract down. So, if systems are weak, delivery through agents may be highly risky and can ruin the institution’s goodwill and reputation. The financial effect may be small or big, but the broken trust lingers, which affects not only that institution but other institutions in the area and the financial sector as a whole.

### Small Savings Agents’ Commission

Small savings collections are mobilised through a wide network of agents. SAS, MPKBY and PPF agents are remunerated from the NSSF on the basis of gross small savings collections. State Governments have, in the past, noted the employment generated by small savings schemes. Most of the State Governments have now abolished agency commission at their end. The details of commission paid at source to the agents are provided in Table.

#### Table 1. Agency Commission of Small Savings Schemes

<table>
<thead>
<tr>
<th>Agents</th>
<th>Schemes Operated</th>
<th>Commission given by the Central Govt. (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. SAS</td>
<td>a. Kishan Vikash Patra</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>b. Post Office Monthly Income Scheme</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>c. Post Office Time Deposit</td>
<td>1</td>
</tr>
</tbody>
</table>
Table 1. Agency Commission of Small Savings Schemes (Contd….)

<table>
<thead>
<tr>
<th>Agents</th>
<th>Schemes Operated</th>
<th>Commission given by the Central Govt. (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. SAS</td>
<td>d. National Savings Certificate</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>e. National Savings Scheme</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>f. Senior Citizen Savings Scheme</td>
<td>0.50</td>
</tr>
<tr>
<td>2. MPKBY</td>
<td>Post Office Recurring Deposit Scheme</td>
<td>4</td>
</tr>
<tr>
<td>3. PPFA</td>
<td>Public Provident Fund</td>
<td>1</td>
</tr>
</tbody>
</table>


Agents are paid for these schemes from the National Small Savings Fund (NSSF) on the basis of gross small savings collections.

According to the report of finance ministry’s committee on small savings, there are over five lakh small savings agents in the country. Over Rs. 2,000 crore is paid annually as commission to the agents of the small savings schemes. This, the report say, adds to the overall cost of the schemes and is “agent driven”.

**Causes of Low Rate of Small Saving Collection in Manipur**

Followings are some of the causes of low rate of small saving collection in the state of Manipur –

1. Lack of financial literary among the rural masses
2. Small savings collection had come down due to mushrooming growth of NBFIs or chit fund companies' fake lucrative schemes.
3. The rates of interest on deposits offered by banks in both public sector and private sector and also in cooperative banks were higher than that prevailing on small savings schemes.
4. Since saving depends on income, low levels of income that characterised the state translate into low levels of saving.

**ANALYSIS OF DATA**

The data that had been collected through questionnaires from small investors as well agents have been analysed.

**Monthly Income of Respondent’s Family**

Table 2. Income Level of Small Savers & Investors in Manipur

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Amount of Income</th>
<th>No. of Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than Rs. 10,000</td>
<td>166</td>
<td>54.40</td>
</tr>
<tr>
<td>2</td>
<td>Rs. 10,001– Rs. 30,000</td>
<td>127</td>
<td>41.60</td>
</tr>
<tr>
<td>3</td>
<td>Rs. 30,001– Rs. 50,000</td>
<td>5</td>
<td>1.70</td>
</tr>
<tr>
<td>4</td>
<td>More than Rs. 50,000</td>
<td>7</td>
<td>2.30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>305</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from Questionnaire.

From Table No. 2, it is observed that 54.40% of respondents’ monthly income of the family is less than Rs. 10,000/- and 41.60% fall in the category of Rs.10,001/- to Rs. 30,000/- and the remaining 2.30% and 1.70% are in the category of more than Rs. 50,000/- and Rs. 30,001/- to Rs. 50,000/- respectively.
Average Monthly Expenditures of Respondents

The following Table No. 3 shows the monthly expenditures of the respondent small savers and investors. 68.50% of the respondents’ monthly expenditures are less than Rs. 5,000/- and the remaining 21.60%, 5.30%, 2.30%, 1.30% and 1.00% fall in the range of Rs. 5,001/- to Rs. 10,000/-, Rs. 10,001/- to Rs. 15,000/-, Rs. 15,001/- to Rs. 20,000/-, Rs. 20,001/- to Rs. 25,000/- and more than Rs. 25,000/- respectively.

This indicates that most of the respondents do not expense too much because of their meagre amount of their family income.

Table 3. Average Monthly Expenditures of Small Savers & Investors

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Amount of Expenditures</th>
<th>No. of Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than Rs. 5,000</td>
<td>209</td>
<td>68.50</td>
</tr>
<tr>
<td>2</td>
<td>Rs. 5,001 – Rs. 10,000</td>
<td>66</td>
<td>21.60</td>
</tr>
<tr>
<td>3</td>
<td>Rs. 10,001 – Rs. 15,000</td>
<td>16</td>
<td>5.30</td>
</tr>
<tr>
<td>4</td>
<td>Rs. 15,001 – Rs. 20,000</td>
<td>7</td>
<td>2.30</td>
</tr>
<tr>
<td>5</td>
<td>Rs. 20,001 – Rs. 25,000</td>
<td>4</td>
<td>1.30</td>
</tr>
<tr>
<td>6</td>
<td>More than Rs. 25,000</td>
<td>3</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>305</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from Questionnaire.

Average Monthly Savings of Respondents

Table 4. Average Monthly Savings of Small Savers & Investors

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Savings Amount</th>
<th>No. of Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than Rs 2,000</td>
<td>208</td>
<td>68.20</td>
</tr>
<tr>
<td>2</td>
<td>Rs 2,000 – Rs 4,000</td>
<td>66</td>
<td>21.60</td>
</tr>
<tr>
<td>3</td>
<td>Rs 4,000 – Rs 6,000</td>
<td>6</td>
<td>2.00</td>
</tr>
<tr>
<td>4</td>
<td>Rs 6,000 – Rs 8,000</td>
<td>17</td>
<td>5.60</td>
</tr>
<tr>
<td>5</td>
<td>Rs 8,000 – Rs 10,000</td>
<td>8</td>
<td>2.60</td>
</tr>
<tr>
<td>6</td>
<td>More than Rs 10,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>305</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from Questionnaire.

Table No. 4 reveals that 68.20 per cent of the respondents’ saving is less than Rs. 2,000 per month stands the highest number of respondents followed by 66 respondents fall in the category of Rs. 2,000 to Rs. 4,000 monthly savings groups. It is unfortunate to say that none of the respondents are fall within the group of savings of Rs. 10,000 and more per month.

Testing of Hypothesis

“Average monthly percentage saving of Manipur is 25%”

<table>
<thead>
<tr>
<th>One-Sample Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saving Percentage</td>
<td>305</td>
<td>28.0229</td>
<td>34.91866</td>
</tr>
</tbody>
</table>
One-Sample Test

<table>
<thead>
<tr>
<th></th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saving Percentage</td>
<td>1.512</td>
<td>304</td>
<td>.132</td>
<td>3.02295</td>
<td>- .9115</td>
</tr>
</tbody>
</table>

Using single sample t-test there is no evidence against the hypotheses (p=0.132). Hence it is concluded that the average monthly saving of Manipur is 25%

**FINDINGS OF THE STUDY**

During this study, efforts were made to know the benefits as well as grievances faced by the small savings agents in Manipur. The following are the main findings from the analysis of responses of agents:

1. It is found that 80 per cent of respondents have monthly income of less than Rs. 10,000 and the remaining 20 per cent of respondents have monthly income between Rs. 10,001 to Rs. 20,000/-.  
2. Out of the total 50 respondents, 30 per cent is SAS, 10 per cent is MPKBY, 50 per cent is both SAS, MPKBY and the remaining 10 per cent is SAS and PPF agents.  
3. Regarding the approximate average monthly collection from different investors 30 per cent of respondents collected less than Rs. 1 lac, 40 per cent of respondents collected between Rs. 2 lacs to Rs. 6 lacs and the remaining 30 per cent of respondents collected more than Rs. 6 lacs in a month from different small savings investors.  
4. 50 per cent of respondents get Rs. 1001 to Rs. 5000 as commission of their service in a month and the remaining 30 per cent and 20 per cent get Rs. 5001 to Rs. 10,000 and more than Rs. 10,000 respectively as commission in a month.  
5. It is observed that 50 per cent of respondents spend at least 6 to 8 hours in a day for this job and the remaining 50 per cent spend more than 8 hours in a day.  
6. It is also found that 45 per cent of respondents have less than 200 small savings investors registered under them and the remaining 55 per cent of respondents have around 20 to 500 investors on roll under them.  
7. 60 per cent of respondents expressed that the income generated from small savings service can able to manage their family whereas the remaining 40 per cent of respondents gave negative mode.  
8. Cent per cent of the respondents are not satisfied to the present rate of commission given to them. It is due to the present rate of commission given to them is very low with compare to commission given to other financial sector like insurance. Another reason for their dissatisfaction is high inflation rate and having limited investors.  
9. Government employees are the most invested group according to most of the respondents and Businessmen, Private Employees and Housewives respectively rank second, third and fourth investing group of people.  
10. 60 per cent of respondents have plan for the improvement of their job in future and 40 per cent of respondents gave negative response.  
11. To motivate other people to invest their savings in various small savings schemes, respondents make the prospective investors understand about the various schemes of small saving and their facilities, importance of saving and good returns of the schemes and security of the fund invested.
12. 40 per cent of respondents attended training at least once and the remaining 60 per cent of respondents do not get any training programme in connection with their job.

13. Out of the total respondents who got training, 75 per cent of them get benefit from attending the training programme and the remaining 25 per cent did not get any benefits from the training.

SUGGESTIONS

Followings are some of the constructive suggestions recommended after thorough study on the present topic –

1. Since the culture of savings call for a new economic orientation, there is a historical necessity for a new wave and tempo for more saving and sound investment in Manipur.

2. A new strategy for stimulating commitment to saving and investment is called for. The Government of Manipur should finalise a state Policy of Savings and Investment.

3. In view of the low tempo of savings in the State Comprehensive Programmes should be undertaken for creating greater awareness.

4. A Public - Private Deliberation Council (Apex-body) consisting of financial institutions, small savings department, insurance companies and Self Help Group may be set up to co-ordinate various activities.

5. The task of collecting funds for small savings schemes is carried out by licensed agents, who are appointed by state government small savings organisations. This agency-based distribution channel should be strengthened by promoting financial literacy among the agents through more frequent and up-to-date training programs.

6. The NSI must also give greater impetus to market research to better understand the dynamics of preferences of small savers. This, in turn, should be incorporated in the design of small savings schemes.

7. Organisational and individual incentives of the post office divisions offering financial services need to be restructured. Recently, the Central Government appointed public sector mutual funds to manage the corpus of Post Office Life Insurance Fund and Rural Post Office Life Insurance Fund. A similar arrangement for small savings balances, thereby bringing them under SEBI’s regulation, merits serious consideration.

CONCLUSION

Small savings has been approved to be an important source of funds for investments in developmental projects of the country. There is a need to mobilise these savings with special measures and initiatives. It is important to make it attractive and agents should also be motivated with all possible means. There is need for unified efforts from all spheres of small savings and investments.

SCOPE FOR FUTURE STUDY

The future researchers can study on the following areas of small savings –

1. Comparative study of Post Office Savings Schemes and Mutual Funds

2. Small Savings behaviour of Rural Households.

3. Role of Organised Institutions in the promotion of Small Savings in Manipur.

4. Organised and Unorganised Sectors of Small Savings in Manipur.

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ONLINE MARKETING: METHODS AND STRATEGIES

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ABSTRACT

The face of an organization is determined by its online presence. Whether, web content or a dynamic email campaign, the structures of our digital information is the foundation of the wealth and health of our businesses. In these hard-wrought economic times, it’s all the more important to establish a voice that can rise above the fray. You might already maintain a vibrant web presence, or maybe your efforts to brand, market, and engage have only just begun. No matter where your company stands, online benchmarks offer the opportunity to ensure that you’re always moving forward.

The main objective the present research paper is to explore the online promotional strategies and methods. What are the online marketing mix and its benefits for the company? This paper covers all the different ways in which the Internet can be used to support the marketing process. Companies are spending more and more resources on internet marketing. On the whole process of internet marketing, promotion is an important stage, because you can build a web, but visitor may not come, they must know where to find you and why to look. So how to attract and keep customers become a key in the internet marketing.

Online Marketing has the capability to cut costs for selling and buying organizations. Automated functions and instant data information can cut purchasing cycle time; reduce human resources, costs and lower transaction costs for supplies. Further to costs reductions, there is increased efficiency online functions for customer services, product information, product ordering and order tracking functions are available to 24 hours a day every day of the year. These are services to different the products their compliment.

Keywords: Online Marketing; Online Marketing Mix; OM Strategies; OM Methods; OM Advantages

INTRODUCTION

Global competition has intensified with the introduction of new technologies. Those who can exploit the opportunities of this new technology will win. Online marketing enable a large company to be responsive, innovative, fast and small company to compete internationally with the “big boys”. Information technology change is accelerating. To remain competitive, companies must position themselves and commence marketing on the internet.

Marketing is the critical and complex business operation with the simple goal to maximize revenue and sustain operations with such a broad goal. Marketing integrates an array of business process, technologies and strategies. The internet is one of the many tools that can be applied to marketing. Increasingly businesses are incorporating the internet into their business to business marketing strategies.

The internet as a consumer oriented marketing tool has been common now for over five years and has become accepted as a standard marketing tool by the cost majority of business likewise the internet, email and newsgroups are being widely used for business to business marketing programs. It can be harnessed to complement your existing marketing practices, external operations and create new
opportunities. The key to successful marketing over the internet is applying the strengths of the medium to proven traditional marketing practices in innovative way.

Online marketing, also referred to as Internet marketing, online advertising, E-Marketing (or e-Marketing), is the marketing of products or services over the Internet. When it applies to the subset of website based ad placements it is commonly referred to as Web advertising (Web advertising), or Web Marketing. The Internet has brought many unique benefits to marketing including low costs in distributing information and media to a global audience. The interactive nature of Online marketing, both in terms of instant response and in eliciting response, are unique qualities of the medium.

Online marketing ties together creative and technical aspects of the internet, including design, development, advertising and sales. Internet marketing methods and strategies encompass a wide range of services such as search engine marketing (SEM) which can be broken down into search engine optimization (SEO) and pay per click (PPC), display advertising, text-based advertising, behavioral marketing, software-based ads, e-mail marketing, newsletter marketing, Customer Relationship Management Marketing, Cause marketing, affiliate marketing, web press releases, interactive advertising, online reputation management (ORM), online market research, and also Social Media Marketing Methods such as blog marketing, multivariate testing or optimization and viral marketing.

Online marketing is the process of promoting an organization using online media, typically with the goals of increasing sales and boosting profits. Internet marketing does not simply mean building or promoting a website nor does it mean simply putting a banner ad up on another website. Effective Internet marketing requires a comprehensive strategy that synergizes a given company's business model and sales goals with their website function & appearance, focusing on their target market through proper choice of advertising type, media, and design.

Online Marketing is an all-inclusive term for marketing products and services online and like many all-inclusive terms, Internet marketing means different things to different people. Essentially, though, Internet marketing refers to the strategies that are used to market a product or service online, marketing strategies that include search engine optimization and search engine submission, copywriting that encourages site visitors to take action, web site design strategies, online promotions, reciprocal linking, and email marketing and that's just hitting the highlights.

**REVIEW OF LITERATURE**

D. K. Gangeshewer (2013) concludes that this paper discussed about the top motivator factors of shopping online. The present development would be a valuable addition to researcher and academicians; and useful theory for practitioners, advertisers, and entrepreneurs. Some of the disadvantages of e-Marketing are dependability on technology, Security, privacy issues, Maintenance costs due to a constantly evolving environment, Higher transparency of pricing and increased price competition, and worldwide competition through globalization. While considering the aforesaid limitations; advertisers and end-users can effectively use this modern platform to make life easier and faster. In the next 3 to 5 years, India will have 30 to 70 million Internet users which will equal, if not surpass, many of the developed countries. Internet economy will then become more meaningful in India. With the rapid expansion of internet, Ecommerce, is set to play a very important role in the 21st century, the new opportunities that will be thrown open, will be accessible to both large corporations and small companies.

Daniel and Wilson (2002, p331) point out that for the smaller firm, information use is the place to start with adopting the internet. When integrating the internet into marketing practice, though, it is essential to move beyond Information and engineer the fundamental processes in the business to use the internet to work with, and automate, information flows; this is one of the challenges facing marketers in the twenty-first century.

Haynes et al (1997, p.231) state that the most important use of the internet amongst participants in a mail-survey was as a tool for ‘obtaining and disseminating information’ and Peet et al (2001) that
suggests accessing information is the early stage of internet use by SMEs. This use of the internet is commonly accepted as the most ‘fundamental’ use of the internet, and hence as the first stage of adoption. Mathur (1998) conclude the World Wide Web is an information distribution system and as such all firms should actively use it in their business activity. As a medium, the information is rich, dynamic and visual. As an information source it has greater influence on decision making than any other medium.

Waghmare and Karoor (2012) explained that E-commerce encapsulates many of the dynamics of 21st century of India. The potential huge and wit and energy of the entrepreneurs in the sector is impressive. Online commerce in India is destined to grow both in revenue and geographic reach. The further research areas in ecommerce are; the quality of sponsored ad text, ad position, Search Engine Optimization (SEO), PageRank, yellow pages, and bid management etc.

Danai Tsotra and Marius Janson (2004) state that one of the advantages of Internet marketing is its ability to target promotion and marketing to audiences in new and innovative ways. A thorough semiotic analysis of the elements and signs of a website advertisement shows that individuals belonging to different cultural groups create meaning in different ways. Our semiotic study demonstrates that alternative visual categories are relevant to different groups. Because semiotic categories affect perception even when perceived unconsciously, the use of appropriate semiotic elements is essential to effective Internet advertisements. Semiotics can help Internet marketers develop appropriate communication strategies and design communication channels with a certain degree of cultural sensitivity. Overall, techniques such as semiotics influence and can improve the impact and effectiveness of currently used promotional strategies.

PURPOSE OF THE STUDY

1. To define the Online marketing and online marketing mix.
2. To set up online Marketing promotional strategies.
3. To evaluate the Online Marketing methods.
4. To define the advantages of Online Marketing.

Online Marketing

Online Marketing or internet marketing means using the Internet to market and sell goods and services. A great deal of Online marketing activity is directed toward driving customers to an organization’s website, where they are encouraged to make purchases online or through another channel. But Online Marketing encompasses a broad and growing range of strategies for interacting online with customers and with other stakeholders. The most common online marketing activities include: preparing an organization’s website, placing advertisements on the web, sending email messages, and engaging in “search engine marketing” – efforts to have the organization’s name appear at the top of the list when a customer searches the Internet for a particular product or service. In addition to these basics, Internet marketing can include a range of other activities, such as marketing through online games, mobile phones, or direct response television broadcasts. And Online Marketing efforts can be directed not only to customers, but also to employees, investors, and other stakeholders (i.e. trading partners, stockholders, media and public interest groups).

Online Marketing is advancing rapidly. Both producers and consumers gain new capabilities every day as technology marches forward and companies rush to create innovative value offerings. Organizations’ external and in-house websites are becoming primary centers for managing relationships with employees, trading partners, stockholders and the media. The same forces that create opportunities – technology, globalization, deregulation – also create intense competition in many industries. Competing effectively requires great care in implementing strategy and allocating resources. In earlier days, organizations were willing to liberally fund experimental Internet marketing.
The rapid adoption of the Internet has caused firms to experiment with innovative ways of marketing to the consumers in computer-mediated environment and has created opportunities that were unthought-of and everybody is in a rush to establish their place in this new market. This has required marketers to realign their strategies to incorporate the advantages and opportunities that Internet marketing offers. In an E-Commerce world, knowing who your customers are and making sure you have the products and services they want becomes even more imperative than it is in the real world. An effective marketer will be actively constructing new models for marketing on the web, based upon an increasingly diverse and complex virtual society. It seems as though technology is evolving faster than we can acquire the ability to manage it!

Online Marketing Mix

- **Product:** What products meet their needs? Where services is an important component of a company’s product, the web allow a firm to provide better information, better services and these better product. There are also companies whose web site is their product.

- **Price:** What pricing and payment policies will customer accept that yield sufficient revenues? Advances in internet technology can help a company reduce its costs, which in turn allow it to lower its price. While the number of suppliers to a firm has generally been declining in recent years, there is a trend among companies that use the web to actually increase their variety of noncore services.

- **Place:** Where will be the businesses operate (Geographic Virtual). The internet can be used by business as a distribution channel, allowing direct sales to customers. The supply chain is shortened as firms conduct direct transactions between suppliers and end users without the involvement of intermediaries. To date, high-tech companies have been the leaders in direct web sales, Netscape, Cisco system, IBM; Dell computers are all selling and marketing from their respective website.

- **Promotion:** What farms of promotion will reach your customers (advertiser, brochures, sales staff and customer support). Most companies with a website use it simply to promote their products. These companies may buy “banner advertising” on other website in order to drive traffic to their own site. Promotional use of the web includes attracting media attention to a company’s innovative use of the internet.

Online Marketing Promotion Strategies

There are several strategies to promotion internet marketing; five of them are studied here.

**Promoting your site on your site**- Promoting your site on your site means to use your web site itself as a promotional tool. It can encourage people to remain on your site for a longer period of time, thus allowing you to reinforce your company name and increase perceived value. In addition, it can encourage repeat visits, gradually building a relationship with self-qualified prospects and prepare them to buy from you. Making each visit a new experience adding elements to the web site that compel audience to visit the web site frequently. Provide information that continues to attract them. Examples include provide customers with product update, tips and tricks, new promotion, onsite games and other components that make shopping at their site interesting and registration on site, internal call to action, what’s new announcement and chat lines and events go methods to promote on your site.

**Promoting your site on the web**- On-the-web promotion is another way let customer find you and look you. Thinking of all the sites that interest the audience, where do your customers go when they surf the Web? Links on other Web site will have benefit to both all. Some companies offer a percentage of the sale if the customer purchase a products from the via link. Amazon. Com offer web site 15% of a book sale when a customer purchase a book via a link to Amazon.com. What’ new listing is a free announcement sites, such as http:// dir.yahoo.com/new, http://www.netpost.comare,
they are excellent place to pick up new “eyeballs”, which can remain up for about a week, announce a new site, a new page, or simply new content. What’s a new page publish all the announcements they receive. Hot sites and Cool links, links to other side and online sponsorships all can be used to promoting your site on the web.

**Advertising on the other sites**- Online advertising is equivalent of every form of advertising and promotion that exits offline: classifieds, display ads, event sponsorships, product placement in movies, and logos. There are paid advertising and free banner ads, which are generally, handle through an exchange services. Ads are really hyperlinks dressed up with graphics and other media to draw attention to the advertiser’s message. Online classified ads can be placed in several sites; some sites allow classified ads for free on for a minimal fee. Yahoo has a classified section to place items who want to sell for free. Most local newspaper and magazines are online, classified ads on these sites at a minimal cost.

**Promoting your site elsewhere on the internet**- Although establishing a web site gets the most commercial attention, there are many other ways to take advantage of the internet for marketing purposes: email, newsgroups, mailing lists, and classified ads, these are less-risky, less-expensive alternatives. Use these tools can promote recognition and repeat visit for the web site. Newsgroups and mailing lists offer a unique opportunity to reach a high targeted, computer-savvy audience with information about your web site.

**Promoting your site offline**- Tradition media such as television commercials, newspaper and their classified ads, magazines, business cards, customer mailing, letter heads, Yellow pages ads and other media can publicize business and attract people go to Web site, put URL on these traditional media. Take advantage of all existing off-line promotional methods to tell people about your web site, and describe the benefits of visiting your site. Attending conference, running workshops is also good opportunity to publicize web site.

**Online Marketing Method**

**Search Engines and Directories**: - Search engines and directories both extremely cost effective, prove most popular as marketing opportunities. They catalog and list the web site information so that when someone using the internet searches for information pertaining to products or services that you sell, your potential customers locate your site. Search engines and directories function as listings of your site’s theme and content, similar in function to a phone directory advertisement. As soon as the web site is up and running, it’s content should list with several of the major search engines and directories or with those that are special to that industry. Some of the major search engines include Yahoo!, Lycos, and Excite. Industry specific sites list business provide with an opportunity to make information public. Search engine create their listing with minimal human intervention. They search the Web to gather information from existing Web pages, Page title, body copy, and other elements each play a role in the resulting collection of data. The captured results display in a logic structure so the potential visitor can view each item on the list.

A popular search engine that uses this technology is HotBot (www.hotbot.com). Search engines follow rules that describe relevant according to the location of the words and their frequency. Web page with key words appear in the title are considered more relevant than others to selected topic. In addition, search engines analyze how often keywords appear in the relation to other words in the Web page. Every search engine available on the internet supports both location and frequency method for listing and ranking.

Directories have a form containing keywords that describe the Web site, when a user enter a keywords for a search, a directory list those sites whose author have submitted that keyword as part of the search criteria. Yahoo uses directory as a method for categorizing information on their site the process between the search engines and directory are different. Search engines technology reflects the change following the next search request, but for directory, editing Web pages does not update site listing.
Registration on site: - Registration is the most important call to action in terms of self-promotion. On-site registration invites you to provide targeted email to your viewer; you can notify them of change to your web site, then encouraging a repeat visit. Use registration can collect some brief information about user. With registration, you can offer something in exchange such as a free email report, a small sample of product, a printout discount coupon for use online or offline, or automatic notification when your site is updated.

Internal calls to action: - Internal calls to action can be camouflaged as a poll or teaser, it looks like banner ads. Using internal calls can move a visitor through or back to your site. There are several kinds of internal calls as bookmark this site/page, make this site your browser home page, see what’s new sign up for email reminder services, newsletter, and return for a scheduled special event.

Hot sites and Cool links: - Hot site and cool links are discretionary. The compiler of these links use their own intensely personal criteria to sift through sites, just as film critics and restaurant reviewers do. Cool links lists range from a site of day maintained by an individual such as Yahoo. Appearing on these lists can result in thousands of additional hits. Create a list with unique, topical twist and accept nominations or allow viewers to vote, it’s another way to generate repeat visit.

Links with other sites: - Links can be reciprocal exchange with other site; one-way outbound or one-way inbound. Reciprocal linking with other sites is one of the most effective and least expensive ways to attain greater visibility for your own, but make sure to visit the other sites to confirm that it attracts the same people you want to attract. Generally, a links from other sites’ home page is preferable to one from a page further down. Outbound links to complementary, informative sites add value to your user. Linking with your suppliers, reps, business customers, and subsidiaries expend your virtual presence because the link title can be topical, usually a key word rather than the destination name. Inbound links is a matter of good research. It identifies places where your target audience is likely to be found online and encourage them to link to you from those sites.

Online sponsorships: - Sponsoring generally carries a lower price tag, a smaller links to your site, and lower placement on a page than a full advertisement. Be sure the sites you sponsor are related to your field of business and that they draw your target audience.

Advertising Banners: - Banner ads are one of the most blatant methods of marketing goods and services over the internet. Research suggests that online banner advertisements perform as effectively as television advertisements in the ability to increase consumer awareness of brands. Banner ads display on a Web page when a potential customer access the site, clicking the banner links visitors to a new e-commerce site. Banner ads can be placed on any site that can attract the most customers. Banner ads can be placed anywhere on a page, but the top ads deliver higher click through than the same ads placed the bottom of the page. Banner ads are a great way to market products and service.

News Groups: - There are thousands of special interest newsgroups on the internet. These newsgroups are non-commercial, Do not directly advertise on newsgroups, but concentrate on finding way to add value to the discussion and create interest among the participants, post information that is informative to a group include a signature file listing the uniform resource location(URL), newsgroups participants are a great value to potential customers.

Registered User and Sending E-mail Message: - Once a Web site has been well designed, it should have a list of visitors and customers who provided their email addresses to request notification of future development and special offers, this list of names is a valuable resource and should be treated accordingly. Sending email message to announce sales on products, new products and information about selected products are much more effective than scatter shooting, if the customer receives email that is interest or somehow adds value, then this Web have created a positive value, on the other hand, if the email message are too frequent or impart little value, the Web site created a negative experience. Also, don’t send incessant email message whether requested or not, to avoid sending email to people who are not interested, ask them on if they want to receive email. Respect the privacy of the visitors. Remember that customer service is even more critical on the internet.
Message Boards: Special interesting boards often serve as listing areas for product or service providers. They tend to address interest groups such as pet lovers, cooks etc. to locate these boards, search on any of the main search engines for keywords related to products or services. In addition a message board, special interest mall is also a good method, these malls result from a collaborative effort among multiple vendors targeting the same interest groups.

Discussion Lists: Subscribe and post to discussion lists to exchange information about various subjects. Instead of sending email throughout the day, hosts of these lists compile the email in digest form and email them infrequently, these discussion lists represent a compelling medium for marketing to potential customers.

Advantages of Online Marketing

Inexpensive: When compared to the ratio of cost against the reach of the target audience, Internet marketing is relatively inexpensive. Companies can reach a wide audience for a small fraction of traditional advertising budgets.

Convenience: The nature of the medium allows consumers to research and purchase products and services at their own convenience. Therefore, businesses have the advantage of appealing to consumers in a medium that can bring quick results. Emphasize business goals and use methods such as CVP analysis when determining strategy and the overall effectiveness of marketing campaigns.

Personally messages: There are a few important characteristics that differentiate Internet marketing from "off-line marketing." One of these is the One-to-one approach: The targeted user is typically browsing the Internet alone, so the marketing messages can reach them personally. This is seen in search marketing, where the advertisements are based on keywords entered by the user in a search engine.

Targeting by Activity: Another large difference is an emphasis on marketing that appeals to a specific behavior or interest, instead of broadly reaching out at a defined demographic. Off-line marketers typically segment their markets according to age group, sex, geography, and other general factors. Online marketers have the luxury of targeting by activity. This would be different from an advertisement in a magazine, where the emphasis may be on appealing to the projected demographic of the periodical. This is a deeper form of targeting, since the advertiser knows that the target audience are people who do a certain activity (upload pictures, have blogs, etc.) instead of just expecting that a certain group of people will like their new product or service.

Easily and Cheaply Measuring Statistics: Internet marketers also have the advantage of easily and cheaply measuring statistics. Almost all aspects of an online campaign can be traced, measured, and tested. The advertisers either pay per banner impression (CPM), pay per click (PPC), or pay per action accomplished. Therefore, it is easy to understand which messages or offering are more appealing to the audience. Since the online marketing initiatives usually require users to click on the message, go to a website, and perform a targeted action, the results of campaigns are immediately measured and tracked. On the other hand, someone driving a car that sees a billboard will at best be interested and might decide to get more information at some time.

Easily tracking: Internet marketing as of 2007 is growing faster than other types of media. Since exposure, response and overall efficiency of Internet media is easier to track than traditional offline media, through the use of web analytic.

Accountability: Internet marketing can offer a greater sense of accountability for advertisers. Increasingly, however, marketers and their clients are becoming aware of the need to measure the collaborative effects of marketing, i.e. how the Internet affects in-store sales, etc. The effects of Multi-Channel Marketing can be difficult to determine, but are an important part of ascertaining the value of media campaigns.
CONCLUSION

The online marketer is a reality. Television, print, newspaper and others traditional marketing avenues will continue to be used but those who ignore the internet will lose the race for competitive advantage. Marketing on the internet is a new business channel, yet in many ways it remain the same as traditional marketing but companies need to learn what works on web sites, how to communicate their message and how to differentiate their web sites. We have examine companies who use their web sites as a promotional tool for brand image building as a distribution channel for customer services and in building supplier relationship.

Online Marketing has the capability to cut costs for selling and buying organizations. Automated functions and instant data information can cut purchasing cycle time; reduce human resources, costs and lower transaction costs for supplies. Further to costs reductions, there is increased efficiency online functions for customer services, product information, product ordering and order tracking functions are available to 24 hours a day every day of the year. These are services to different the products their compliment.

In this report, we have studied an important stage of online marketing—online marketing strategies and method and advantages, using the technologies effectively, you can get great number of hits, bring the target audiences to your site and ensure they get what they came for, and then the intent marketing will have the most successful solution.

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EXPLORING SELF EMPLOYABLE OPPORTUNITIES FOR COMMERCE GRADUATES

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ABSTRACT
An age old saying goes “Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a life time.” Keeping in mind the problems and prospects of young graduates specially the commerce graduates an effort has been made to explore the best alternative available for exploring their bread and butter. The system of education and its content in India along with the tiring years dedicated for acquiring the prestigious degrees (Specially the Commerce degree) does not provide them suiting or matching job opportunities. Therefore an attempt has been made in this work to explore the opportunities and the potentials of growth and prospects in the area of self employment. For live exposure and experience some practical examples are taken up as cases for initiating and motivating them to start their own businesses. Recently Regional Transport Offices (RTO) issued for the first time lottery system for allotment of Auto permits. There are 885 graduates, 66 post graduates and 34 Diploma holders from city. Forty five of the women drivers from MMR are graduates and post graduates. Nearly 3000 winners from 49 RTOs of the state are graduates. *(TOI 28 Feb 2014)*

As per National Skill Survey report 2014- An assessment of one lakh students on various skills has found that only 34% were employable and women fared better than men in the test. The result means two third of our skill pool is not fit to have a job – National Skill report 2014 prepared by CII; *(TOI 30/01/2014)*

Maharashtra government police department vacancy was there for Constables the figures are eye opener. All over Maharashtra vacancies were 12000 and applicants were over 40 million. John Mullins is an Associate Professor of Management Practice in Entrepreneurship and Marketing at the London Business School. He said Entrepreneurship in India is on steroids. The opportunities here for entrepreneurs are endless. India needs roads, ports, education, better health care and more productive agriculture. You name it and India needs it. The opportunities are stunning. What good entrepreneurs should do is that if see a problem, and there is no shortage of problem in India, they think they have the passion and skill to solve it; they should build business out of it. With over two decades of Production under its belt, Mustang is now gearing up for major expansion in India’s underserved market for socks. Only 2% of India’s population wears socks and therefore, 98% market is yet to be exploited. Today the footwear sector is $35 billion in size and is major target market for multinational shoe makers and exporters. Business can be learnt by observation, experimentation, and application of mind. Because ultimately business is not ‘rocket science’. Basically one needs to have a proper guidance and information. If from the basic entry level, our education system ensures that proper guidelines and training is provided and properly motivated for the same, things won’t remain the same. At Degree level we teach them business for three years but we don’t teach them to do business. This sounds ironical but this is the fact. Specially if the commerce degree is blend with practical exposure and summer training, with small businesses then definitely the employment scenario of graduates will not remain the same.

**Keywords:** Commerce; Unemployment; Self Employment
INTRODUCTION
An age old saying goes “Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a life time.” Keeping in mind the problems and prospects of young graduates specially the commerce graduates an effort has been made to explore the best alternative available for exploring their bread and butter. The system of education and its content in India along with the tiring years dedicated for acquiring the prestigious degrees (Specially the Commerce degree) does not provide them suiting or matching job opportunities. If available than they are beyond doubt far below their status and dignity compare to their qualification. This is the condition of the masses. It’s very ironical to share that Commerce graduates are taught Business and its allied areas continuously for at least five years in spite of that maximum opt for career in Services. The reasons can be numerous for the present condition naming a few e.g. the education system and its content does not match with requirement of market; lack of guidance and wrong selection of peer group by students. Misconceptions about establishing own business. Etc Therefore an attempt has been made in this work to explore the opportunities and the potentials of growth and prospects in the area of self employment. For live exposure and experience some practical examples are taken up as cases for initiating and motivating them to start their own businesses.

OBJECTIVE OF THE STUDY
1. To show that Placement opportunities of Commerce Graduates is very bleak.
2. To explore the potential of small businesses and its suitability for Commerce graduates.
3. Finding opportunities, rewards and employable capacity of small Businesses.

Analysis of Present condition of Graduates
Almost 1000 Indians have died in Qatar in the last five years, with over 500 workers dying in the past two and a half years alone, according to AFP report through an RTI plea filed with the Indian Embassy in the Gulf state. Amnesty International said workers were treated like animals in Doha. Half a million young Indians joined the rank of the unemployed between 2009-10 & 2011-12 as joblessness in the age group of 15-29 rose even the national average remains static. According to National Sample Survey Office (NSSO) the unemployment rate among the youth in the 15-29 age brackets makes up 285 million of India’s 1.2 billion populations. This category is the most crucial stage in the job chain as it is when most people join the workforce. The rate of joblessness was higher for the youth than for the overall population – 8% for urban men and 13% for women against the national average of 03% and 05% respectively; and 05% each for rural males and females against overall national average of 2%. With Jobs drying up in an economic slump that may not end any time soon, the future seems bleak. (HT-9th Feb 2014-front page)*

The latest data on unemployment is the tip of iceberg. With no policy to create new jobs, graduates and post graduates are working as drivers, assistants, salesmen. The latest round of NSSO statistics on employment reflects the growing resentment among educated urban youngsters over not finding jobs commensurate with their qualification. Recently Regional Transport Offices (RTO) issued for the first time lottery system for allotment of Auto permits. There are 885 graduates, 66 post graduates and 34 Diploma holders from city. Forty five of the women drivers from MMR are graduates and post graduates. Nearly 3000 winners from 49 RTOs of the state are graduates. *(TOI-28 Feb 2014)As per National Skill Survey report 2014- An assessment of one lakh students on various skills has found that only 34% were employable and women fared better than men in the test. The survey also found that Punjab, Tamil Nadu, Uttar Pradesh, Delhi, AP, Haryana, Odisha, and West Bengal were among the top states from where the major chunks of employable pools emerged. Nagaland, Meghalaya, J&K, Manipur, Jharkhand, Bihar were at the bottom of the heap. The assessment was carried out by online assessment firm Wheebox and tested students in 28 states and Union territories on their numerical and logical ability, communication skills and domain knowledge. The result means two third of our skill pool is not fit to have a job – National Skill report 2014 prepared by CII; *(TOI 30/01/2014)
Maharashtra government police department vacancy was there for Constables the figures are eye opener. All over Maharashtra vacancies were 12000 and applicants were over 40 million. In Mumbai vacancies were 2500 and the applicants were 1,06,825. The salary for job was about Rs 20,000. After deduction it will come around Rs 12000. (TOI-June 19 2014)*

**Scope and Opportunities / Potentials for Self Employment**

John Mullins is an Associate Professor of Management Practice in Entrepreneurship and Marketing at the London Business School. He said Entrepreneurship in India is on steroids. The opportunities here for entrepreneurs are endless. India needs roads, ports, education, better health care and more productive agriculture. You name it and India needs it. The opportunities are stunning. What good entrepreneurs should do is that if see a problem, and there is no shortage of problem in India, they think they have the passion and skill to solve it; they should build business out of it. With over two decades of Production under its belt, Mustang is now gearing up for major expansion in India’s underserved market for socks. Only 2% of India’s population wears socks and therefore, 98% market is yet to be exploited. Today the footwear sector is $35 billion in size and is major target market for multinational shoe makers and exporters; Brands such as Nike, Steve Madden and Clarks are common place now and more are on their way to India. Now take a moment and think of some brands of socks in the same league. Nothing comes to mind? Socks are neglected category. There is an increasing demand for socks. The trends and the preferences for consumers are changing even men willing to purchase colorful socks.

It’s an era of competition. In India Rs. 5000 crore is the estimated size of Indian competitive tests market. On an average 1.5 lakh total students appear for different exams. $ 109.8 Billion is the estimated size of Indian Education sector in FY’ 2015 ($71.2 Billion FY’2012) * Source Education Sector in India Strategic Review (Budget 2013-14). Looking at the statistics and the figures it can be easily figure out the strength and scope of Business in India. Provided one is competent enough to harness it. In the above context following examples of cases and basic traits are discussed and illustrated.

**Basic Skills / Traits/ Prerequisites for Self Employment**

Take a first step and be in the play. Take a leap of faith. Learn from others failures. Entrepreneurs like to do and learn. Small is big. Ultimately the size does not matter and like children, Businesses start small and grow up. Collaborating is another useful thing for start up entrepreneurs to follow. Learn to be flexible and not dogmatic. The world is changing too fast for to rule out anything without examining it carefully. Choosing a mentor; many entrepreneurs think they need mentoring, not many are open enough to be mentored.

Below are few basic mantras for young New Entrants in Business:

- Do not exaggerate Business plan. Under commit and over deliver it.
- The risk- reward equation is completely in favor of the entrepreneur. There is no way he will be economically rewarded less for being an entrepreneur than by taking up a job.
- Identify and learn for couple of years the kind of work want to do.
- Getting the direction is probably a matter of time and working hard. When you keep working you realize what makes more sense.
- If you don’t have personal expertise in the field , get a team of experts locked-in, preferably as partners or co-founders
- Passion-if you are not passionate about what you are doing, then you are in the wrong place.
- Create love and affection in workplace because people give their lives for what they love.
• Self-confidence, Disciplined, Hardworking, goal oriented, flexible, opportunistic, egolessness and recognize the power of ‘emergence’ are some of the traits necessary for entrepreneur.

• A business with Conscience- only mission worthy of for successful business.

CONCLUSIONS AND SUGGESTIONS

Business can be learnt by observation, experimentation, and application of mind. Because ultimately business is not ‘rocket science’. Basically one needs to have a proper guidance and information. If from the basic entry level, our education system ensures that proper guidelines and training is provided and properly motivated for the same, things won’t remain the same.

At Degree level we teach them business for three years but we don’t teach them to do business. This sounds ironical but this is the fact. Especially if the commerce degree is blend with practical exposure and summer training, with small businesses then definitely the employment scenario of graduates will not remain the same.

If from first year of graduation proper feeding is provided regarding proper utilization of time i.e. after college on regular basis sparing time for part time jobs in the areas of interest. This will provide both financial assistance as well as training. And after three years of part time training plus graduation will definitely provide better edge in market. And this strategy will not permit them to opt for odd jobs, which does not match their caliber.

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ABSTRACT

The collapse of the Bretton Woods System and the global recession in 2008 laid the way for the growth of the emerging market economies. An example of the grouping of emerging markets is BRICS, comprising Brazil, Russia, India and China, who can be said to be at the similar stage of development. From a small organization BRICS has grown into a global reality.

The BRICS bloc of states can be considered as an economic giant accounting for a quarter of the world’s land area and 40% of the population. In addition it holds over 4 trillion foreign exchange reserves in terms of US$.

The world has witnessed the strong performance of the BRICS nations vis a vis the advanced economies, a point highlighted during the great recession. These countries witnessed tremendous growth in the period between 2000 and 2012 and withstood the depression far better than the advanced nations. With a lull in between the transit period, the economies are picking up and it is anticipated that by 2050 these emerging economies will capture the world.

Keywords: BRICS; Emerging Markets; global Recession; GDP (Purchasing Power Parity)

INTRODUCTION

The collapse of the Bretton Woods consensus and the subsequent changes, formed the basis not only for the onset of the Great Recession in 2008, but also paved the way for the gradual growth of the emerging markets. The period after 1997 has been characterized by increased capital flows in these markets. The concept of emerging markets, more specifically the BRICS nations, and the imminent comparison of their growth trends with those of the advanced countries, has drawn the attention of the world. In this Paper an attempt has been made to look into the concept of BRICS nations, examine their importance and the challenges faced, discuss the performance of these nations and after comparing the two groups of nations speak of the future.

BRICS

BRIC is a grouping which refers to the countries of Brazil, Russia, India and China which are deemed to be at a similar stage of new advance development. The term was coined by Jim O’Neill in 2001 in Goldman Sachs Paper entitled “Building better Global economy”. The first Summit was held in Yeterinburg, Russia in 2009. South Africa entered the Group in 2010.

Initially BRICS was just an organization; today however it has become a global reality. This acronym is widely being used to symbolize the apparent shift in the global economic power from the developed G7 countries towards the developing world. The BRICS bloc of states can be considered as an
economic giant accounting for a quarter of the world’s land area and 40% of the population. In addition it holds over 4 trillion foreign exchange reserves in terms of US$.

**Importance of BRICS**

The following points highlight the importance of BRICS:

1. It facilitates the exchange of technology between countries;
2. It leads to improvement in professional development and education;
3. It helps utilize and exploit the comparative advantages of individual nations and thus pave the way for increased trade;
4. By concentrating on a handful of countries it promotes regional development;
5. It ensures optimal utilization of resources and thereby helps in accelerating the process of economic development.

**Trends in Growth of BRICS Nations**

In the period between 2000 and 2008 the combined share of the BRIC nations in the world output increased from 16% to 22%. Together they accounted for 30% of the increase in global output during the said period. China’s pace was the fastest among the BRIC Nations. In addition she had achieved a growth rate of over 15% in the world economic output.

The rapid economic growth and demographics of China and India are expected to give rise to a large middle class, whose consumption would foster the economic development of BRICS and thereby lead to expansion of the Global economy.

In the period between 2002 and 2007 China, India and Brazil raised the their collective share of global Research and Development spending from 17% to 24%.

Let us consider the constituent countries individually in terms of their advantages.

**Brazil**

a) is the 10th fastest growing economy;
b) Rich in natural resources such as coffee, sugarcane, crude oil, iron etc;
c) Middle Class constitutes 31% of her population.

**Russia**

a) has the capability of high technology sector;
b) She accounts for 20% of world’s gas and oil reserves;
c) There has been a successful reduction in the number of people living below the poverty line;
d) 68% of her population constitutes the middle income group;
e) She prides herself in having a very educated workforce;
f) Russia is the third largest exporter of steel and aluminum;

**India**

a) Has a total population of 1.2 billion people;
b) She occupies the second place in BRICS after China;
c) She is the largest democracy in the world having a long history of stable and steady elected government;
d) India possesses a universally acclaimed Brain Power.
China
a) is the third largest country in terms of size;
b) In terms of GDP she ranks first amongst BRICS nations;
c) 13% of its population belongs to the middle income groups;
d) China is the largest exporter and importer of the world;
e) She has more than 3 trillion dollars;
f) The country has the advantage of having cheap labor force.

South Africa
a) is the 23rd largest country in the world;
b) The rate of inflation is around 6.5% and is reducing further;
c) Exports constitute 25% of the total production;
d) South Africa is richest in terms of mineral reserves.

OBJECTIVES
The study is essentially based on the following objectives:
One, the last two decades has witnessed the growth of ‘emerging market economies’ comprising countries who are on the same stage of development and reforms. One such grouping is BRICS, the paper attempts to analyze the performance of these BRICS economies vis a vis the advanced countries.
Two, the Great Recession of 2008 affected all the countries of the world. However, while some of the advanced countries are still recovering from the financial crisis, the paper under consideration, aims at showing how the emerging market economies have come to terms with the situation and are able to tackle the situation much better than their advanced counterparts.
Three, the Paper highlights the importance of BRICS nations from the point of view of promoting regional specialization, promoting trade on the basis of comparative cost advantage and thereby optimally utilizing the resources.
Finally, the study concludes by saying that although growth trends are in favor of the BRICS nations, it will take at least 25-35 years before the BRICS nations can overtake the rich nations and dominate the world.

Comparison between BRICS and Advanced Economies
The Global Financial Crisis, started from the USA in 2007. One could say that it was the outcome of deep economic recession. This resulted in contraction of business cycles and slowing down of economic activity over a long period of time. The consequences of this were rising bankruptcies, unemployment and poverty.

The meltdown was the result of institutionalized fraud and financial manipulation. The collapse of the Lehman Brothers, a Global Bank, in September 2008, almost led to the collapse of the world’s financial system. There was a record transfer of money wealth and simultaneous creation of an insurmountable public debt. The repercussions were felt by all major sectors of the Global economy.

Once the crisis took the form of Global Recession, the developing countries were also slightly affected generally through the trade channels and more specifically through falling remittances of the workers. There was a general fall in the GDP all over the world.

With the threat of global threat of Recession looming large many developing countries and emerging market economies introduced resolute countercyclical monetary and fiscal actions parallel to the developed countries. This helped in recovery particularly in case of Brazil, China and India, who no
doubt were hurt by the crisis but responded quickly through a higher dose of stimulus which helped ease the situation.

Underperformance in the world economy was observed across regions and countries. Most developed economies are continuing to struggle against the far reaching effects of the financial crisis, trying their best to adopt the appropriate fiscal and monetary policy.

After a slowdown, it is expected that the economic performance will pick up in both the developed and developing countries. But there are several constraints which may dampen the performance of advanced economies.

Between 2007 and 2011 the combined growth rate of BRICS Nations is 4.9% as against 0.8% of G7 countries.

On a more specific basis we can observe that Eurozone still has fundamental unresolved problems in the form of high unemployment, high level of public debt, loss of competitiveness, and slow reduction of unit labor costs.

While Japan on the other hand was successful in overcoming almost two decades of deflation, she had to face uncertainties in the form of increasing consumption tax and slow implementation of structural reforms and trade liberalization. She is expected to grow at 1.9%.

USA too has its own sets of negatives such as elections round the corner, Federal Reserve’s planned exit from quantitative easing and zero policy rates along with regulatory uncertainties. It is expected to grow at a meager rate of 1.6% in 2013 as against 2.8% in 2012.

Emerging markets on the other hand in 2013 mainly because of China’s economic slowdown, end of commercial super-cycle and reduction in potential growth because of delay in implementing structural reforms. They are expected to grow faster in 2014 because of brisker recovery of advanced economies. This will boost Imports and the growth of middle class will provide a huge market. Countries like India and Brazil will remain fragile in 2014 because of large external deficits, slowing growth, inflation, election related problems etc.

While the BRICS nations have withstood the global financial meltdown of 2008 far better than the developed countries the growth rates have fallen in the last several years. But irrespective of whether BRICS nations are able to realize their potential for economic growth their performance experts feel will exceed that of the developed countries. Rich countries have advanced technology and techniques of production. Further growth requires inventions and innovations of new techniques. BRICS nations have to only incorporate these techniques and should lead the world.

**Future Prospects**

The world economy is projected to grow at an average rate of just a little over 3% in the period between 2011 and 2050. By 2017 China is projected to overtake USA as the largest economy, in terms of Purchasing Power Parity and by 2035 in terms of market rates of exchange. The following table indicates the actual and projected rankings of top 20 economies in terms of GDP (Purchasing Power Parity).

<table>
<thead>
<tr>
<th>YEAR PPP RANK</th>
<th>Country</th>
<th>2011 GDP at PPP</th>
<th>Country</th>
<th>2030 Projected GDP at PPP</th>
<th>Country</th>
<th>2050 Projected GDP at PPP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) USA</td>
<td>15,094</td>
<td>China</td>
<td>30,634</td>
<td>China</td>
<td>53,856</td>
<td></td>
</tr>
<tr>
<td>2) China</td>
<td>11,347</td>
<td>USA</td>
<td>23,376</td>
<td>USA</td>
<td>37,998</td>
<td></td>
</tr>
<tr>
<td>3) India</td>
<td>4531</td>
<td>India</td>
<td>13,716</td>
<td>India</td>
<td>34,704</td>
<td></td>
</tr>
<tr>
<td>4) Japan</td>
<td>4381</td>
<td>Japan</td>
<td>58,42</td>
<td>Brazil</td>
<td>8825</td>
<td></td>
</tr>
<tr>
<td>5) Germany</td>
<td>3221</td>
<td>Russia</td>
<td>53,08</td>
<td>Japan</td>
<td>8065</td>
<td></td>
</tr>
<tr>
<td>6) Russia</td>
<td>3031</td>
<td>Brazil</td>
<td>46,85</td>
<td>Russia</td>
<td>8013</td>
<td></td>
</tr>
<tr>
<td>7) Brazil</td>
<td>2305</td>
<td>Germany</td>
<td>41,18</td>
<td>Mexico</td>
<td>7409</td>
<td></td>
</tr>
</tbody>
</table>
It is clear from the above table that China will overtake USA in 2030 and continue the trend in 2050. India will maintain her third ranking throughout. However, Brazil will pace past Japan and occupy the third spot in 2050. The result will be the emergence of China, India, Brazil and other emerging markets not only at low cost production locations but also increasing large consumer markets.

RECOMMENDATIONS FOR THE FUTURE

Let us now turn our attention to the future prospects for BRICS nations.

a) There is need for sustained solution for future growth. This includes:
   i) Mutual trade and investment between the member countries has to be encouraged;
   ii) Broadening of mutual trade and investment.

b) The existence of New Development Bank (BRICS Bank):
   i) Lending for infrastructure projects has to be encouraged;
   ii) Provision of financial aid to other small economies.

c) Steps should be taken towards Contingent Reserve arrangement;

d) There is need for Export Credit and Guarantee agencies;

e) These nations should play an important role in international affairs; and

f) Trade should be carried on in local currency.

CHALLENGES FOR BRICS NATIONS

One can enlist the challenges faced by the BRICS nations. They include:

a) There exist a number of domestic, social and economic challenges such as inequalities, corruption and absence of education and health care facilities;

b) In addition to BRICS there is IBSA (India, Brazil and South Africa). While the former has outlined an Action Plan to cover various tiers of inter-governmental co-operation, IBSA is moving in the direction of practical co-operation programs. In view of the existence of such parallel groupings a major challenge for BRICS is to manage systematically the overlapping of mandates that may arise from such situations;

c) They suffer from poor quality of institutions, infrastructure financial developments etc. They are also characterized by low labor productivity for want of education.

The measures could include:

- There should be a development of a BRICS Bank;
- The rural urban disparities needs to be reduced;
- Maintenance of macroeconomic stability;
- The existence of inadequate financial reforms;
- The supply chain needs to be managed.

They have to use the potential to follow a greener development plan and instill a green architecture of development for the rapid development of rest of the world.

Experts opine that although these economies are advancing rapidly it could possibly be only after 2050 that the combined economies could eclipse the combined the combined economies of the current richest countries of the world.
It is predicted that while China and India will become the dominant global suppliers of manufactured goods and services, Brazil and Russia will be the dominant suppliers of raw materials.

The Goldman Sachs follow up Report, points out that, India has a number of deficiencies such as inefficient energy consumption and population explosion and while it is easy for their aggregate wealth to exceed that of G6 nations, their Per Capita Income are much lower as compared to today’s industrialized nations. India’s progress will be faster in subsequent years. In fact India is among the thirty faster growing areas in the world and this will have significant implications for demand for urban infrastructure, real estate and services.

CONCLUSION

The BRIC Nations have together in a grouping which has exceeded expectations. However, BRICS co-operation has limits in the sense that intra-BRICS competition and rivalry are two important restrictions which will determine how much further can BRICS co-operation go.

The accumulation of technology by itself is not enough, but what is most important is dependence of knowledge based economies on innovation and technical advancement. It is here where the emerging economies rank very high. There is no doubt of the fact that the BRICS Nations will play a significant role in the world economy.

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ABSTRACT

In today’s growing competition and tight economy Retail Analytics helps business outlets to develop & implement scalable, truly operative & definitive strategies, not simultaneously being implemented by any current competitor. This definitely helps firms to obtain Competitive Advantage. The reasons behind such popularity include the rapid change that organizations face today, the complexity of the business environment, the impacts of globalization and unstructured markets, the ever changing consumer needs, competition, the revolution of information technology and communications, and the liberation of global trade. Developing sustainable Competitive Advantage has forced the retailers to embrace the new technology to realize operational improvements, and also in response to changing consumer behaviour.

Keywords: Analytics; Competitive Advantage; Value; Technology Customer; Retail

INTRODUCTION

Generally termed as a wave of future, Retail Analytics not only provides the data, but also shows how to put accumulated data to optimal use. It helps to gain a strategic advantage. No data will give the competitive advantage. It is the analysis that helps how to use the structured or unstructured data to drive a change across the organization in this growing competition. Analytics can be defined as the analysis of data to draw hidden insights to aid decision making. The data generated by big firms is huge in nature to the tune of billions of gigabytes. The availability of the metadata helps to pinpoint the Customer expectations from the merchant. It also suggests the upcoming market trends in this Competitive Environment. Harvesting and extracting business insight from old and new data helps retailers to establish a Competitive Advantage in this rapidly changing retail market. Analytics is impacting the retail industry in a big way. As data proliferates and analytics tools become social obligatory, retailers are looking to apply more timely and relevant business insights.

OBJECTIVES OF THE STUDY

1. To understand the concept of retail analytics
2. To know the linkage between retail analytics and competitive advantage

Developing Sustainable Competitive Advantage

Competitive advantage is a key determinant of superior performance, and ensures survival and prominent placing in the market. Superior performance is the ultimate, desired goal of a firm; competitive advantage becomes the foundation. It gives firms the ability to stay ahead of present or potential competition and ensure market leadership. It is an advantage that is not easily copied and, thus, can be maintained over a long period of time. As is known Firms are facing a tough challenge to
achieve the organizational success in a growing global competition. Achieving these goals and break the commoditization trap that drives down pricing with margin, a retailer has to address various issues:

- Necessity to understand valuable Consumers with their needs?
- Factors motivating the customers to purchase.
- Retail outlet location
- Logistics and Information system.
- Improved merchandise.
- Customer Service
- Business customization to satisfy customer needs.

Simply getting the answers to the above issues is not a solution to the challenge, but a retailer must try to gather true market information about the impact of these issues. Efforts should be made to have active involvement of the customers in the market at various locations satisfying their needs instead of increasing, only the count. Decision making should be in line with customer requirements taking into account how, when and what is appropriate in a changing market conditions.

**Why real time analytics is imperative to Retail Business growth**

Providing that insight into how business stakeholders and technology decision makers can collaborate and together become smarter is the basis for retail analytics on global basis. While analyzing a Big Data, majority of the retailers are expected to focus on major issues as mentioned below to retain customers and their loyalty towards market product. Treating customers equally on par will not generate the desire results, as every customer has a specific requirement about a product. Thus a retailer must differentiate each customer taking into account some of the following aspects.

- Market area location as a profit driver.(Demographics)
- Area product demand.
- Profit share percentage considering other market players for the same product
- Future product demand in the area and the competitors.
- Customer trends, behaviour with respect to changing technology.
- Customer loyalty and retention strategy
- Product availability and customer service efficiency.
- Right product to the right customer.
- Customer education by way of updated marketing programs.
- Inventory quality and quantity management with respect to customer demands.
- Customer updated feedback relative to the changes incorporated.

From the market research a retailer must understand a truth that customer growth will lead to achieve targeted business excellence in specified time, so as to create a sustainable competitive advantage. Competition is a direct link to a failure or success of a business how the organisations handle it and significantly increase the chance how to come out on top by creating a competitive edge.

**Retail Analytics Techniques**

Research shows various analytics techniques best suited to the business customer retention and its promotion considering the market fluctuations. Few of them can be listed as under-
Customer behaviour identification
Customer behaviour modelling.
Customer treatment modelling.
Pricing integration
Situational merchandising
Customer Data Integration
Customer feedback mapping and forecasting
Customer insight management

Leveraging the benefits of Retail Analytics

So far market research suggests that, in a Retail market the power is shifting to customers. Upcoming trend in the industry is to make customer feel connected to the organisation and the service offered should make him become brand advocate. Customer feedback and its analysis help retailers to make them available conveniently as per customer needs. Introduction of new tools like CRM gives a Retailer a big data view of customers who have prosperity to buy more rapidly and more easily informing about the Customers loyalty.

Application of analytical tools is all about pre-defining about the customer satisfaction factors from the metadata generated out of regular interaction. Converting this data into legitimate and practicable solutions to generate Competitive Advantage is the real benefit in this competitive market. So in basic terms, some of the following key issues highlight the application.

Benefits of working together: Many business intelligence experts are recommending that both customer and retail business organisations should work together. This is of course for better understanding of each other’s needs, capacities, and overall better business relationship. The customer and a vendor must have an effective communication. This will mutually benefit both of them. It should be a close and obligatory association of the two interested parties in the mutual interest.

Trust: Trust is central to interpersonal and commercial relationships because it is crucial wherever risk, uncertainty, or interdependence exists. Increasing the trust customers have in the organisation, products, marketing, and industry is one of the most cost-effective ways to sell more and close faster at better profit margins. Regular interaction with the business customers links them to the business growth.

Value: The firm’s ability to create and capture value depends on the strength of competition and the characteristics of the firm. In markets where customer demand outruns industry capacity, many firms can add value. The value created by the firm equals the benefits the firm’s customers receive minus the costs the firm’s suppliers incur and minus the costs of using the firm’s own assets. To increase value created, the company increases benefits to its customers, lowers costs of its suppliers, uses its resources more effectively, or combines suppliers and customers in new or more efficient ways.

Improved merchandising: Customised approach to a product placement (in a retail outlet) is helping a customer to buy a product of choice and quality very quickly reducing purchase time. It helps to calculate demand plans leveraging historical data or sales forecasts.

Improved customer loyalty: Tool helps to retain customer loyalty towards an organisation by way of studying the changing market trends and customer needs. Scientific approach of the business owner compels First time customer to be a repeat customer and finally becomes brand advocate.

Growth in a Profit share: Analytics helps to have a control over customer attrition. Drastically reduced attrition helps to achieve targeted sale of the products. Increase in the sale results in the profit percentage of the organisation. Pricing strategies can be altered satisfying the customer, to outperform
considering the competitors. 

**Product Brand creation:** Many stakeholders’ feel a joy of repeated purchase of a particular product from an organisation satisfying their needs. Advocacy of the product by a loyal customer generates more no of customers of the brand promoting brand name.

**Manpower empowerment:** Experience manpower and the employee help to retain loyalty of the customers and using a tool like CRM.

**CONCLUSION**

Retail Analytics is a situational and seasonal aspect of marketing to develop & retain a customer base. It helps to develop innovative and informative business promotion measures with a differentiating creative touch as compared to competitors. Multi-channel advertisement reaches the product to every corner of the market increasing the customer base to a product. Predictive analytics helps to analyse the market segment response. It helps to feed customer insight to a product development. It helps to reduce a customer deviation to a competitor. Analytics helps to identify, differentiate, analyse and customise the Big Data for gaining a larger share of customer base and business promotion. Thus In an existing set up of crowded market with a growing competition, Analytics is a tool to develop a sustainable Competitive Advantage. Empowerment to Business managers and decisive top management is the key, to the effective implementation of business data collected out of retail analytics, converting it into a right solution for the business promotion.

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ABSTRACT

In this modern Era the present competitive situation in all the businesses are characterized by a huge cut throat competition and almost at any time the companies and retailers are ready to pay for differentiated merchandising. Fashion retailers could not depend on products, price, promotion, and place to win the competition among the fashion retailers. Similarity of merchandise is coercing the retailer to focus on visual merchandising to improve the desirability of products. The study is aimed to find out impact of various dimensions of visual merchandising on consumer buying behavior of the customers visiting departmental store across Nagpur region. The dimensions of visual merchandising used as predictors in the study are window display, in-store mannequin display, merchandising color and promotional signage. A questionnaire survey was employed as the tool to collect primary data and we administered to 150 female’s shoppers from various areas of Nagpur region. The results reveal that certain dimensions of visual merchandising do affect the consumer buying behavior.

Keywords: Visual Merchandising

INTRODUCTION

The visual merchandising is purely marketing based terminology and represents the most important marketing tools and represent the most direct means of communication to the product which means that any promotional signage like billboards, banners, posters, pamphlets, shop boards, shelf markers and hand bills of any company, shop or brand which customer can see or visualize during his visit to the market or during shopping.

Once customers walk in, it is but imperative to ensure that they enjoy their first encounter with the store. After all, repeat visits will only happen if a customer’s first visit is a memorable one. The logical arrangement of counters, with clear passageways allows for easy access to merchandise. Rather than getting lost in the big space that most large stores are, the customer feels more in control. Space is allocated to various product categories taking into account the number of SKUs stocked and shelves/counter space requirements are worked out accordingly. Clear passages are provided for products, which require touch and feel. Also, it has been observed that when a person enters a room, the human eye moves in a Z pattern, i.e. from rear left of the room to right rear, followed by front left of the room to front right. Care should be taken to do up the rear left end of the room in an appealing manner so as to guide the direction of vision and keep a shopper visually interested. A great deal of research has been undertaken on the impact of lighting on a customer’s purchase behavior. Results clearly indicate that in general, stores that are brightly lit, with the lights cleverly blending with the interiors lead to higher customer comfort, and as such, more sales.

LITERATURE REVIEW

Visual merchandising is the presentation of a store and its merchandise to the customer through the team work of the store’s advertising, display, special events, fashion coordination, and merchandising departments in order to sell the goods and services offered by the store (Mills et al., 1995, p.1). In 1998, Pegler argued, Visual merchandising is no longer just a matter of making merchandise look attractive for the customer. It is the actual selling of merchandise through a visual medium (p.1).

Available online on www.saiomppublications.com
addition, Bell and Ternus (2002) asserted that visual merchandising, once called ‘display,’ has evolved from its origins as a store’s decorative arts department to its current status as a sales-supportive entity, which impacts store design, store signing, departmental merchandise placement and display, store atmospherics, and store image (p.18). Visual merchandising is therefore concerned with both how the product and/or brand is visually communicated to the customer and also whether this message is decoded appropriately in the context affecting a positive psychological or behavioural outcome, ultimately leading to purchase (Kerfoot et al., 2003).

Visual merchandising is effective presentation of products that impacts customers purchase. It is defined as “the presentation of a store/brand and its merchandise to the customer through the teamwork of the store’s advertising, display, special events, fashion coordination, and merchandising departments in order to sell the goods and services offered by store” (Mills, Paul 1995).

Visual merchandising includes both store exterior and interior. The store exterior includes window display, façade and retail premises. Window display is a medium which creates first impression in customer’s mind to enter the store. Physical attractiveness of the store impresses customers highly for store selection (Omar, O. 1999).

Bashar and Irshad, (2012) has considered impact of form display, window display, promotional signage and floor merchandising by taking sample size of 250 Indian respondents by applying Pearson correlation. His findings are that window display and impulsive purchasing are positively correlated. Impulse buying and store display are not correlated. Floor merchandising is also correlated with impulsive buying.

Vinamra et al., (2012) has studied impact of visual merchandising on consumer behavior toward women's Apparel. His dependent variable is visual merchandising and independent variables are neutral role in influencing the purchase and significant role in influencing the purchase. He took sample size of 150 Indian women’s who were visiting shopping malls. His findings are that visual merchandising has a very strong impact on customer purchasing behavior. To some extent visual merchandising also leads to impulse buying.

Sonali and Sunetra, (2012) has studied the unplanned purchasing triggering the senses in retail stores. His dependent variable was frequency of shopping and independent was gender of customers. He has taken sample of 100 customers visiting Indian shopping malls and used chi-square as a statistical too. His findings were that no significantly associated with gender of customers and frequency of shopping.

**Dimension of Visual Merchandising**

Seock and Eun-lee (2013) construct the relationship of importance of visual merchandising and store image dimension and shopper behavior, such as store environment that related to layout and coordination, new style/trend information related to the window/merchandise display, merchandise assortment related to the layout and creative coordination and appealing exhibition of store image are related to layout and coordination. Creative coordination was found to be positive.

The Dimension chosen in this research related of visual merchandising element is window display, color presentation, Mannequins, signage, and lighting related to visit frequency.

**Window Display**

Window display is very common features among retailers dealing in garments and gift items. This feature is even prevalent among retailers in small towns. With the advent of new variants of window display at local levels and also sponsored by the manufacturers for their authorized retails outlets, window displays are considered an important factor contributing to image building of the store. Astrid and Ir. Mustika (2013) as retailing fashion industry, window display is important visually communication technique and marketing tool that has big impact to customers’ first impression of store image and customer decision’s to enter a store when they do not set out with specific purpose of purchasing a certain item in a store.
Color presentation

Many researchers have been carried out throughout the years in relation to physiological effects of color. Gerard (1957) states that in general, warm colors (red and yellow) have produced opposite psychological effects than cool colors (blue and green), which are opposite on the color spectrum. Bellizzi et al. (1983) investigated the effects of color in retail store design. The results indicated that despite color preferences, subjects were physically drawn to warm color (yellow and red) environments, but they paradoxically found red retail environments to be generally unpleasant, negative, tense, and less attractive than cool color retail (green and blue) environments. (Cited in: Bellizzi and Hite. 1992

Lighting

Lighting arrangement adds significant meaning to the entire retail atmosphere. The basic purpose of the lighting arrangement is that the shoppers can see the merchandise with ease while the retail setting looks brighter and more attractive to customers. Lighting affects the color of the offerings on display in the retail store. As customers prefer to evaluate the color, texture and design of such offerings with ease, there is need for adequate lighting. They not only serve the functional needs of illumination but can be used to achieve dramatic effects. Numerous types of cans or holders are being used to house these light bulbs, supplying a variety of looks to augment the many types of store fixtures. Mehrabian (1976) “believed that lighting was a chief factor in the environment’s impact on individuals because brightly lit rooms are more arousing than dimly lit ones”.

Signage

Visual cues meet most of the communication needs of customers in the shopping centers and retail store. Signage provides information regarding a store’s policy in respect of returned goods, timing to return, prevailing discounts, etc. The type of signage used in terms of size, lettering, and colours, and the placement of signage are indispensable parts of the entire retail unit designing. Signage in the retail environment may fall into two categories, the first being institutional and directional, fixed signage includes more permanent signs indicating areas and facilities of the store for example, fitting rooms, exits, ladies wear, pay station, etc. The signage associated with alerting customers to fast fashion is representative of the second category that includes signage that is more flexible and has immediacy in providing information and promoting purchase. According to Colborne, 1982, effective signs identify departments, describe the merchandise and its price, inform customers of special sales event, alert customers to advertised merchandise, and determined the theme of special window and interior display.

Mannequins

Mannequins are essential for enhancing the appeal of the merchandise, making it easier for customers to visualize how clothing will look on them. Traditional life-size mannequins offer a flattering look to clothing and are most effective way to sell merchandise. Mannequin such as torso forms, dress forms, and shirts forms are very effective.

Consumer Behavior

Consumer behavior can be defined as the decision making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services. This definition brings out that it is not just the buying of goods/services that receives attention in consumer behavior but, the process starts much before the goods have been acquired or bought. A process of buying starts in the minds of the consumer, which leads to the finding of alternatives between products that can be acquired with their relative advantages and disadvantages. This leads to internal and external research. Then follows a process of decision-making for purchase and using the goods, and then the post-purchase behavior which is also very important, because it gives a clue to the marketers whether his product has been a success or not.
OBJECTIVE

1. To understand the dimensions of Visual merchandising
2. To study the Impact of Merchandising display on Consumer Buying Behavior in Fashion stores

RESEARCH METHODOLOGY

Research Design, Sample and Data Collection

The research design is divided into two parts, the first part is in descriptive nature and the second part is exploratory. In the exploratory study the female consumers who visited the fashion store were interviewed in Nagpur region to understand and find the impact of visual merchandising. The sample size of the research was 150, Data was collected, using questionnaires, simple random sampling technique was used for data collection from a convenience shoppers’ sample. The questionnaires were administered to actual female shoppers, in the age group 20 – 30 years, shopping in fashion stores across Nagpur region. Percentage average method and chi square test were used as statistical tools for data analysis.

HYPOTHESIS

H1: There has been significant impact on consumer buying behavior through Window display.
H2: There has been significant impact on consumer buying behavior through Mannequin display.
H3: There has been significant impact on consumer buying behavior through color presentation.
H4: There has been significant impact on consumer buying behavior through lighting.
H5: There has been significant impact on consumer buying behavior through Signage.

The hypotheses are developed from the dimensions found in literature review of visual merchandising. Their impacts on consumer buying behavior are to be found. Demographic profile of respondents is summarized as follows.

<table>
<thead>
<tr>
<th>Demographic</th>
<th>% of Respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How often do you visit the store</td>
<td></td>
</tr>
<tr>
<td>Once a week</td>
<td>12.6%</td>
</tr>
<tr>
<td>once in a month</td>
<td>53.3%</td>
</tr>
<tr>
<td>During festivals</td>
<td>16%</td>
</tr>
<tr>
<td>only on offer days</td>
<td>8%</td>
</tr>
<tr>
<td>Vey rarely</td>
<td>10%</td>
</tr>
<tr>
<td>2. You choose to enter in a store because of Attractive Mannequin and Window display</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>50.7%</td>
</tr>
<tr>
<td>Neutral</td>
<td>37.3%</td>
</tr>
<tr>
<td>Disagree</td>
<td>27%</td>
</tr>
<tr>
<td>3. What do you do when you enter the store</td>
<td></td>
</tr>
<tr>
<td>Go straight to the product which you want</td>
<td>24%</td>
</tr>
<tr>
<td>Walk through the store as it leads you</td>
<td>57.3%</td>
</tr>
<tr>
<td>Don't follow any pattern, randomly pick product</td>
<td>12%</td>
</tr>
<tr>
<td>Seek the help of salesperson to navigate in the store</td>
<td>6.7%</td>
</tr>
<tr>
<td>4. Window displays always increase your interest towards those product items being displayed.</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>79.3%</td>
</tr>
</tbody>
</table>
Table 1. Demographic Characteristics of Respondents (Contd….)

<table>
<thead>
<tr>
<th>Demographic</th>
<th>% of Respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neutral</td>
<td>18.7%</td>
</tr>
<tr>
<td>Disagree</td>
<td>2%</td>
</tr>
<tr>
<td>5. When You see featuring a new style or design on mannequin display you tend to buy it</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>44.7%</td>
</tr>
<tr>
<td>Neutral</td>
<td>42%</td>
</tr>
<tr>
<td>Disagree</td>
<td>13.3%</td>
</tr>
<tr>
<td>6. Product items are placed according to color could allow you to find them more easily.</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>58%</td>
</tr>
<tr>
<td>Neutral</td>
<td>26.7%</td>
</tr>
<tr>
<td>Disagree</td>
<td>13.3%</td>
</tr>
<tr>
<td>7. The use of lights in different brightness to decorate the store would increase your possibility of making purchase</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>50%</td>
</tr>
<tr>
<td>Neutral</td>
<td>34%</td>
</tr>
<tr>
<td>Disagree</td>
<td>16%</td>
</tr>
<tr>
<td>8. Signage in form of tags offers you more information about the product. (e.g. Price, material)</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>86.6%</td>
</tr>
<tr>
<td>Neutral</td>
<td>8.6%</td>
</tr>
<tr>
<td>Disagree</td>
<td>4.7%</td>
</tr>
<tr>
<td>9. What you like to buy when you go for shopping in store</td>
<td></td>
</tr>
<tr>
<td>I bought what i came to buy, Nothing more</td>
<td>19.3%</td>
</tr>
<tr>
<td>I bought little more than what i came for</td>
<td>68%</td>
</tr>
<tr>
<td>I bought lot more than what i came for</td>
<td>10%</td>
</tr>
<tr>
<td>I didn't find what i needed, so i didn't buy anything</td>
<td>26%</td>
</tr>
<tr>
<td>10. When you are waiting at payment counter, you would pay attention to product items placed nearly</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>82%</td>
</tr>
<tr>
<td>Neutral</td>
<td>8.7%</td>
</tr>
<tr>
<td>Disagree</td>
<td>10%</td>
</tr>
<tr>
<td>11. Which of the following merchandise presentation did you remember when you came out of store</td>
<td></td>
</tr>
<tr>
<td>Item type</td>
<td>44%</td>
</tr>
<tr>
<td>Showcase type</td>
<td>26%</td>
</tr>
<tr>
<td>Window type</td>
<td>20%</td>
</tr>
<tr>
<td>Hanger type</td>
<td>10%</td>
</tr>
</tbody>
</table>

Chi-Square Test

Window displays always increase your interest towards those product items being displayed.

<table>
<thead>
<tr>
<th>Customer view</th>
<th>% of respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>79.3</td>
</tr>
<tr>
<td>Neutral</td>
<td>18.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
</tr>
</tbody>
</table>

H0: There has been no significant impact on consumer buying behavior through Window display.
H1: There has been significant impact on consumer buying behavior through Window display.

Probability of impact of visual merchandising = 1/3. On the basis of this hypothesis the expected number of respondent’s preference (E) = 150/3 = 50

Expected and Observed Respondent

<table>
<thead>
<tr>
<th>O (Observed)</th>
<th>E (Expected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>79.3</td>
<td>50</td>
</tr>
<tr>
<td>18.7</td>
<td>50</td>
</tr>
<tr>
<td>2</td>
<td>50</td>
</tr>
</tbody>
</table>

Chi-Square test or $X^2$ test $= \sum \frac{(O - E)^2}{E}$

<table>
<thead>
<tr>
<th>Chi-square</th>
<th>Calculated value</th>
<th>Degree of freedom(n-1)</th>
<th>Tabulated value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>83.24</td>
<td>2</td>
<td>5.991</td>
</tr>
</tbody>
</table>

The table value of $X^2$ for 2 degree of freedom at 5 per cent level of significance is 5.991. The calculated value of $X^2$ is much higher than this table value and hence we reject the hypothesis and accept H1, which provides sufficient evidence that window display has significant impact on consumer buying behavior. 79.3% of the time, consumers’ buying behavior is influenced by window displays at the store.

When you see featuring a new style or design on mannequin display you tend to buy it

<table>
<thead>
<tr>
<th>Customer view</th>
<th>% of respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>44.7</td>
</tr>
<tr>
<td>Neutral</td>
<td>42</td>
</tr>
<tr>
<td>Disagree</td>
<td>13.3</td>
</tr>
</tbody>
</table>

H0: There has been no significant impact on consumer buying behavior through Mannequin display

H2: There has been significant impact on consumer buying behavior through Mannequin display

Probability of impact of visual merchandising = 1/3. On the basis of this hypothesis the expected number of respondent’s preference (E) = 150/3 = 50

Expected and Observed Respondent

<table>
<thead>
<tr>
<th>O (Observed)</th>
<th>E (Expected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>44.7</td>
<td>50</td>
</tr>
<tr>
<td>42</td>
<td>50</td>
</tr>
<tr>
<td>13.3</td>
<td>50</td>
</tr>
</tbody>
</table>

Chi-Square test or $X^2$ test $= \sum \frac{(O - E)^2}{E}$

<table>
<thead>
<tr>
<th>Chi-square</th>
<th>Calculated value</th>
<th>Degree of freedom(n-1)</th>
<th>Tabulated value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28.78</td>
<td>2</td>
<td>5.991</td>
</tr>
</tbody>
</table>

The table value of $X^2$ for 2 degree of freedom at 5 per cent level of significance is 5.991. The calculated value of $X^2$ is much higher than this table value and hence we reject the hypothesis and accept H2, which gives indication that Mannequin display plays a vital role in consumer buying behavior. 47.7% of the time, consumers’ buying behavior is influenced by Mannequin displays at the store.
Product items are placed according to color could allow you to find them more easily

<table>
<thead>
<tr>
<th>Customer view</th>
<th>% of respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>58</td>
</tr>
<tr>
<td>Neutral</td>
<td>26.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>13.3</td>
</tr>
</tbody>
</table>

**H0:** There has been no significant impact on consumer buying behavior through color presentation

**H3:** There has been significant impact on consumer buying behavior through color presentation

Probability of impact of visual merchandising = 1/3. On the basis of this hypothesis the expected number of respondent’s preference (E) = 150/3 = 50

**Expected and Observed Respondent**

<table>
<thead>
<tr>
<th>o(Observed)</th>
<th>e (Expected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>58</td>
<td>50</td>
</tr>
<tr>
<td>26.7</td>
<td>50</td>
</tr>
<tr>
<td>13.3</td>
<td>50</td>
</tr>
</tbody>
</table>

**Chi-Square test or X^2 test**

\[
\sum \frac{(O - E)^2}{E}
\]

<table>
<thead>
<tr>
<th>Calculated value</th>
<th>Degree of freedom (n-1)</th>
<th>Tabulated value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square</td>
<td>43.96</td>
<td>5.991</td>
</tr>
</tbody>
</table>

The table value of \( X^2 \) for 2 degree of freedom at 5 per cent level of significance is 5.991. The calculated value of \( X^2 \) is much higher than this table value and hence we reject the hypothesis and accept H3, so we can say that color presentation influence consumer buying behavior. 58% of the time, consumers’ buying behavior is helped by color presentation at the store.

The use of lights in different brightness to decorate the store would increase your possibility of making purchase

<table>
<thead>
<tr>
<th>Customer view</th>
<th>% of respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>50</td>
</tr>
<tr>
<td>Neutral</td>
<td>34</td>
</tr>
<tr>
<td>Disagree</td>
<td>16</td>
</tr>
</tbody>
</table>

**H0:** There has been no significant impact on consumer buying behavior through lighting.

**H4:** There has been significant impact on consumer buying behavior through lighting

Probability of impact of visual merchandising = 1/3. On the basis of this hypothesis the expected number of respondent’s preference (E) = 150/3 = 50

**Expected and Observed Respondent**

<table>
<thead>
<tr>
<th>o(Observed)</th>
<th>e (Expected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>34</td>
<td>50</td>
</tr>
<tr>
<td>16</td>
<td>50</td>
</tr>
</tbody>
</table>

**Chi-Square test or X^2 test**

\[
\sum \frac{(O - E)^2}{E}
\]

<table>
<thead>
<tr>
<th>Calculated value</th>
<th>Degree of freedom (n-1)</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Chi-square</td>
<td>28.24</td>
<td>5.991</td>
</tr>
</tbody>
</table>
The table value of $X^2$ for 2 degree of freedom at 5 per cent level of significance is 5.991. The calculated value of $X^2$ is much higher than this table value and hence we reject the hypothesis and accept H5, which provides sufficient evidence that Signage helps consumer making purchase decision. 86.6% of the time, signage helps consumer making purchase decision in the store.

Marketers must use this findings efficaciously to increase sales of their store and innovate themselves in terms of display. Since, window display is the first touch point of store with the customers. Hence, it should be very attractive which should be able to generate impulse buying. Promotional signage and color presentation will enhance the experience of the store. Promotional signage should be clear so that customers do not have problem and also does not require salesperson’s help. Racks, gondolas, focal point, walking space must give shoppers ease while shopping. Hence, color presentation and promotional signage should be very effective. So marketers must use these dimensions creatively. This study has revealed usefulness and effectiveness of visual merchandising in understanding consumers’ buying behavior.

**CONCLUSION**

The result demonstrated that there was significant impact of visual merchandising dimension: window display, color presentation, mannequins, signage, and lighting in the store. When the entire visual merchandising dimension is linked together to purchase intention, customer buy product a little more than what they have planned before entering in to the store. If we see the point of purchase display also gets significant attention of consumers, the research also shows that Item displaced are most remembered when consumer leaves the store.
REFERENCE


December 2014
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ISSN: 2347–7571
ABSTRACT

Future is associated with uncertainty. Uncertainty is a universal risk for the mankind. Such type of risk is to be controlled or avoided or financed by everybody. Many types of risk management techniques are there. Insurance is one of the best risk financing techniques. With reforms of regulations and opening up of the insurance sector to the private management in the year 1999, it can be seen the tough competition in the insurance industry. The number of General insurance and Life insurance companies has been increasing in the 21st century. The ultimate person is an investor or customer, who has to get the update information, observe keenly the performance of the companies and their attractive products. In this context, the evaluation of financial performance of the life insurance companies in both public and private companies are essentially needed to select a best life insurance policy.

Keywords: Financial Performance of LIC & Selected Private Companies; Satisfaction Level of Policy Holders; SWOT Analysis

INTRODUCTION

The insurance industry in India has passed through a period of structural changes under the combined impact of financial sector reforms in general and insurance sector in particular. With the liberalisation of insurance sector, the paradigm for Indian insurance industry has witnessed a sea change during the last decade. The emerging scenario has infused greater competitive volatility in the system, because the insurance sector has now entered into a competitive phase due to entry of more players in the insurance field. As a result there has been expansion and growth of insurance both in the life and non-life business. Bharati V. Pathak (2008) Insurance is one of the most growing sectors in the Indian economy. Insurance is a form of risk management primarily used to hedge against the risk of a contingent, uncertain loss. Life Insurance Corporation of India was the only company prior to liberalization and the monopoly of LIC breaks with the entry of private companies in life insurance business. The Indian insurance industry was opened for private insurers in the year 1999, with the enforcement and establishment of industrial regulatory and development authority act. Insurance sector in India is one of the booming sectors of the economy and presently growing at the rate of 35-40% per cent annually with a total insurable population of less than forty percent. Huge untapped population provides unlimited scope to life insurance companies for market expansion and penetration. There was a remarkable improvement in the Indian insurance industry soon after the Indian economic reform 1991 which is characterized by three important elements i.e. Liberalization, privatization, and globalization (LPG). In the post liberalization period, the life insurance industry of India witnessed a remarkable growth and it is being forced to face a lot of healthy competition from many domestic as well as international private insurance players. The share of a country’s GDP in life insurance has a strong positive correlation to income levels. India, with its huge middle class households, exhibits
untapped potential for the insurance industry. Saturation of markets in many developed economies has made the Indian market even more attractive for global insurance majors. Thus India continues to be an attractive market for most insurance players both domestic and foreign.

A Brief History of Life Insurance Sector

The term ‘insurance’ can be defined in both financial and legal terms. The financial definition focuses on an arrangement that redistributes the cost of unexpected losses. It is the collection of small premium payments from all the suspected and distribute it to those suffering actual losses. The legal definition focuses on the contractual arrangement whereby one party agrees to compensate the loss of other party. The business of life insurance in India in its existing form started in India in the year 1818 with the establishment of the Oriental Life Insurance Company in Calcutta.

Some of the important milestones in the life insurance business in India are;

1912: The Indian Life Assurance Companies Act enacted as the first statute to regulate the life insurance business

1928: The Indian Insurance Companies Act enacted to enable the government to collect statistical information about both life and non-life insurance businesses.

1938: Earlier legislation consolidated and amended to by the Insurance Act with the objective of protecting the interests of the insuring public

1956: 245 Indian and foreign insurers and provident societies taken over by the central government and nationalised. LIC formed by an Act of Parliament, viz. LIC Act, 1956, with a capital contribution of Rs. 5 crore from the Government of India.

STATEMENT OF THE PROBLEM

Insurance is an upcoming sector, in India the year 2000 was a landmark year for life insurance industry, in this year the life insurance industry was liberalized after more than fifty year. Insurance sector was once a monopoly, with LIC as the only company, a public sector enterprise. But nowadays the market opened up and there are many private players competing in the market. There 23 private life insurance companies have entered in to the industry. After the entry of these private players, the market share of LIC has been considerably reduced. Both private and public companies have launched many innovations in the industry in terms of products, market channels and advertisement of products, agent training and customer services etc. in order to attract new ones and maintaining the existing holders. In this context the study on “performance evaluation of private and public life insurance companies regarding number of micro insurance products, net profit, premium income etc is very imperative.

OBJECTIVES OF THE STUDY

1. To study and Compare the financial performance of Public and Selected Private Life Insurance companies in India.
2. To measure satisfaction level of policy holders in both public and private life insurance companies.
3. To identify the main factor that influences the policy holders to select the product of a particular company
4. To identify the SWOT Analysis of Insurance sector in India.
5. To suggest means and ways for improving performance level of life insurance Sector.

RESEARCH METHODOLOGY

The study is based upon descriptive as well as exploratory. The study employs both primary data and secondary data. The study has been conducted among 100 policy holders of public and private life
insurance companies within malappuram district. The Secondary data are collected from the text books, National and International Articles, statistical Hand book of Insurance and IRDA and Annual reports of LIC and Selected Private life insurance companies in India. Both Short term &Long term solvency ratio, Growth rate are used for analysis of the study. The study has taken five financial years ie, (2008-2012) for evaluating financial performance of both public life insurance company and selected private life insurance companies.

ANALYSIS AND INTERPRETATION OF DATA

In this section, an attempt has been made to analyze, interpret and draw the conclusions by taking financial performance of the sample life insurance companies. The following section deals with the financial performance of LIC and selected private life insurance companies.

Short term solvency Ratio of LIC &Selected Private Life Insurance Companies

Table 1. Current Ratio of LIC of India &Selected Private Life Insurance Companies

<table>
<thead>
<tr>
<th>Year</th>
<th>LIC</th>
<th>ICICI Prudential Life Insurance</th>
<th>SBI Life Insurance</th>
<th>HDFC Standard Life Insurance</th>
<th>Birla Sun Life Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>06.78</td>
<td>0.67</td>
<td>0.64</td>
<td>1.39</td>
<td>0.89</td>
</tr>
<tr>
<td>2009</td>
<td>13.10</td>
<td>0.63</td>
<td>0.40</td>
<td>1.08</td>
<td>0.84</td>
</tr>
<tr>
<td>2010</td>
<td>01.34</td>
<td>0.38</td>
<td>0.85</td>
<td>0.63</td>
<td>0.85</td>
</tr>
<tr>
<td>2011</td>
<td>154.4</td>
<td>0.42</td>
<td>0.78</td>
<td>0.81</td>
<td>0.91</td>
</tr>
<tr>
<td>2012</td>
<td>06.23</td>
<td>0.58</td>
<td>2.55</td>
<td>0.86</td>
<td>0.91</td>
</tr>
</tbody>
</table>

Source: IDRA Annual Reports

Table-1 accommodates the current ratio of LIC & Selected private life insurance companies. It is observed from the table that the current ratio in the financial year of 2010 is 1.34 which is below the standard norm. The short term solvency position of business has been affected. Similarly, LIC has made more investment into current assets in the financial year of 2011 which may be an idle investment. The rest of the financial year current ratios are satisfactory. It is suggested that there should not be more investment of fund into current assets. In the case of ICICI Prudential Life Insurance Company the current ratios of various years are not satisfactory and short-term solvency position is not good. Current ratios of SBI Life Insurance are not satisfactory according to the rule of thumb.e.2:1 and short-term liquidity position has been affected. It is suggested that there should maintain adequate working capital. Birla Sun Life Insurance company has not maintained appropriate working capital for the various financial years to pay off the current liabilities. It is suggested that there should be more investment of fund into current assets.

Table 2. Liquid Ratio of LIC & Selected Private Life Insurance Companies

<table>
<thead>
<tr>
<th>Year</th>
<th>LIC</th>
<th>ICICI Prudential Life Insurance</th>
<th>SBI Life Insurance</th>
<th>HDFC Standard Life Insurance</th>
<th>Birla Sun Life Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1.16</td>
<td>0.10</td>
<td>0.64</td>
<td>0.07</td>
<td>0.63</td>
</tr>
<tr>
<td>2009</td>
<td>04.65</td>
<td>15.30</td>
<td>0.18</td>
<td>0.46</td>
<td>0.70</td>
</tr>
<tr>
<td>2010</td>
<td>02.44</td>
<td>0.33</td>
<td>0.32</td>
<td>0.23</td>
<td>0.70</td>
</tr>
<tr>
<td>2011</td>
<td>58.60</td>
<td>0.21</td>
<td>0.16</td>
<td>0.29</td>
<td>0.73</td>
</tr>
<tr>
<td>2012</td>
<td>02.89</td>
<td>0.17</td>
<td>1.84</td>
<td>0.36</td>
<td>0.66</td>
</tr>
</tbody>
</table>

Source: IDRA Annual Reports

It observed from the table -2 that the liquid ratios of LIC are satisfactory. In the financial year 2011, the LIC’s liquid ratio is too high & unnecessary more investment funds into liquid asset which
may not generate revenue. It is suggested that there should not be more investment of fund in liquid assets. Whereas liquid ratio of ICICI Prudential Life Insurance are not satisfactory except the financial year 2009. It is safely suggested that there should be more investment of funds into liquid assets which will be helpful to pay the current liabilities. In the case of SBI Life Insurance the liquid ratios are not satisfactory except the financial year 2012. It is suggested that the company should maintain the proper liquid assets to pay its current liabilities. The liquid ratios of HDFC Standard Life Insurance & Birla Sun Life Insurance are not satisfactory which may lead towards the short term financial crisis. It is safely suggested that there should be more investment of funds into liquid assets for better short term solvency position.

**Long term solvency Ratio of LIC &Selected Private Life Insurance Companies**

Table 3. Debt Equity (D/E) Ratio of LIC &Selected Private Life Insurance Companies

<table>
<thead>
<tr>
<th>Year</th>
<th>LIC</th>
<th>ICICI Prudential Life Insurance</th>
<th>SBI Life Insurance</th>
<th>HDFC Standard Life Insurance</th>
<th>Birla Sun Life Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>0.501</td>
<td>1.30</td>
<td>0.27</td>
<td>0.54</td>
<td>5.93</td>
</tr>
<tr>
<td>2009</td>
<td>0.047</td>
<td>0.13</td>
<td>0.16</td>
<td>0.61</td>
<td>3.78</td>
</tr>
<tr>
<td>2010</td>
<td>0.043</td>
<td>0.99</td>
<td>0.13</td>
<td>0.51</td>
<td>2.26</td>
</tr>
<tr>
<td>2011</td>
<td>0.041</td>
<td>0.73</td>
<td>0.12</td>
<td>0.40</td>
<td>1.61</td>
</tr>
<tr>
<td>2012</td>
<td>0.046</td>
<td>0.54</td>
<td>0.01</td>
<td>0.28</td>
<td>1.34</td>
</tr>
</tbody>
</table>

Source: IDRA Annual Reports

Table -3 accommodates the outsiders’ and shareholders’ funds of LIC. It is concluded that LIC has financed more internal equities than the external equities without taking more financial risks. D/E ratios of ICICI Prudential Life Insurance are little more and less in the financial year 2008 as compared to the rest of the years. In the financial year 2009, 10, 11 and 12, there is more finance in business in the form of outsider’s funds. In the case of SBI Life Insurance D/E ratios are not satisfactory i.e. Below the rule of thumb of D/E ratio i.e.1:1/2:1. It is concluded that there is more investment out of the internal equities into the business and they will have more claims on assets. It is also suggested that there should be more financing between outsider ownership funds. D/E ratios of HDFC Standard Life Insurance are satisfactory for the various financial years except the year 2011 and 2012. The business has used more the ownership capital into business in these two years. The purpose is to get an idea of the cushion available to outsider on the liquidation of the business. It is safely suggested that the company should maintain the appropriate mix of owners’ and outsiders’ funds in financing pattern of the firm’s assets. It is observed from the table -3 that the D/ E ratios of Birla Sun Life Insurance are satisfactory all the financial years. But, the company has used more outsiders’ finds as compared to ownership’s funds in the year 2008 and 2009. It is also suggested that there should be investment into business through appropriate financing the outsiders’ and shareholders’ funds.

**Compound Growth Rate of LIC and Private life insurance companies**

Table 4. Compound Growth Rate of Premium Income of LIC and Private Insurance Companies

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>COMPOUND ANNUAL GROWTH RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIC</td>
<td>5.83%</td>
</tr>
<tr>
<td>PRIVATE SECTOR</td>
<td>3.98%</td>
</tr>
</tbody>
</table>

Source: IRDA annual report

During this period OF 2008 to 2012, the compound annual growth rate of LIC and private insurance companies are 5.83 percentage and 3.98 percentage respectively. There for LIC shows the better financial performance than private sector.
Table 5. Influencing Factors of selection of Insurance Policy

<table>
<thead>
<tr>
<th>FACTORS</th>
<th>LIC</th>
<th>LIC</th>
<th>PRIVATATE INSURANCE COMPANIES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MEAN</td>
<td>RANK</td>
<td>MEAN SCORE</td>
</tr>
<tr>
<td>TAX SAVING</td>
<td>5.0</td>
<td>4</td>
<td>5.2</td>
</tr>
<tr>
<td>GOOD RETURN</td>
<td>5.6</td>
<td>3</td>
<td>6.9</td>
</tr>
<tr>
<td>SECURITY</td>
<td>8.4</td>
<td>1</td>
<td>7.1</td>
</tr>
<tr>
<td>RISK COVERAGE</td>
<td>6.0</td>
<td>2</td>
<td>5.8</td>
</tr>
</tbody>
</table>

Source: Primary data

In order to understand which factor is more influence the policy holders towards insurance, Mean score is used. The analysis shows that in both public and private life insurance companies mean score is higher in case of security. While selecting the life insurance policy, security is a major factor considered by policyholders in both public and private life insurance companies.

Table 6. Satisfaction level of Quality of service

<table>
<thead>
<tr>
<th>FACTORS</th>
<th>LIC</th>
<th>LIC</th>
<th>PRIVATATE INSURANCE COMPANIES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MEAN SCORE</td>
<td>MEAN SCORE</td>
<td></td>
</tr>
<tr>
<td>Rider facility</td>
<td>3.16</td>
<td>3.12</td>
<td></td>
</tr>
<tr>
<td>Switching facility</td>
<td>2.96</td>
<td>2.56</td>
<td></td>
</tr>
<tr>
<td>Top up facility</td>
<td>2.92</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Bonus</td>
<td>2</td>
<td>2.24</td>
<td></td>
</tr>
<tr>
<td>Loan facility</td>
<td>2.04</td>
<td>2.68</td>
<td></td>
</tr>
<tr>
<td>Surrender facility</td>
<td>2</td>
<td>2.16</td>
<td></td>
</tr>
<tr>
<td>Customer complaint</td>
<td>2.4</td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2.49</td>
<td>2.56</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data

In order to understand whether the policyholders are satisfied with different attributes of insurance products, the study conclude that policyholders of both Life insurance companies are not satisfied with the quality of services provided by their life insurance companies.

SWOT Analysis of Insurance Sector in India

<table>
<thead>
<tr>
<th>STRENGTH</th>
<th>WEAKNESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Risk protection is provided by this sector only.</td>
<td>• Unable to convenience the people about the products.</td>
</tr>
<tr>
<td>• Insurance having currently good market.</td>
<td>• Insurance companies instability.</td>
</tr>
<tr>
<td>• Tax exemption.</td>
<td>• Limited working capital.</td>
</tr>
<tr>
<td>• The variety of products is increasing.</td>
<td>• Products or services similar to competitors.</td>
</tr>
<tr>
<td>• Insurance to build close relationship with customers.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPPPORTUNITIES</th>
<th>THREATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Technology is improving paperless transaction are available.</td>
<td>• Weather cycles</td>
</tr>
<tr>
<td>• Busy life, customer need flexible and customizable policies.</td>
<td>• New substitute product emerging.</td>
</tr>
<tr>
<td>• Like mobile banking mobile insurance could be a hit</td>
<td>• Increasing expenses and lower profit margins.</td>
</tr>
<tr>
<td>• New innovations in technology-measuring weather variables.</td>
<td>• Government regulations on issue.</td>
</tr>
</tbody>
</table>
FINDINGS & SUGGESTIONS OF THE STUDY

- LIC shows the better financial performance than private life insurance companies
- LIC has invested more out of its internal equities than the external equities
- current ratios of ICICI Prudential Life Insurance Companies, HDFC Standard Life Insurance Company’s Birla Sun Life Insurance Company are not satisfactory and short-term solvency position is not good except SBI Life Insurance Company’s
- LIC’s liquid ratios are too high and unnecessary investment more in liquid asset
- in the year 2011
- ICICI Prudential Life Insurance Company’s liquid ratios are not satisfactory except the financial year 2009
- SBI Insurance Life Company’s liquid ratios are not satisfactory expect the financial year 2012
- Liquid ratios of HDFC Standard Life Insurance Company & Birla Sun Life Insurance Company are not satisfactory.
- Security is the main factor which attracts people towards selecting life insurance products.
- LIC policyholders are get more benefit derived from insurance scheme than private insurance holders
- Customers are not satisfied with different attributes of insurance products

The following important suggestions have been forwarded to improve the short term as well as long-term solvency financial position of the life insurance companies.

- LIC should not be more investment of fund into current assets as well as into liquid assets.
- ICICI prudential, HDFC, Birla Sun and SBI Life Insurance Companies should invest the appropriate and adequate funds into current assets.
- ICICI Prudential, HDFC Standard and SBI Life Insurance Company should maintain the adequate and perfect most liquid assets i.e. investment of fund into short-term marketable assets for better liquidity to pay off the current liabilities.
- Similarly, LIC, ICICI Prudential, HDFC Standard, HDFC and SBI Life Insurance Company should finance by proper mix of both ownership and outsiders’ fund.
- Offer new investment type policy to youngsters.
- Additional services provided by the life insurance companies should be intimated the policyholders through online.

CONCLUSION

Insurance is a vital component of the financial service industries of all modern societies and plays an essential and dramatic role in building all national economies. Insurance allows individual and business to cope with risk and substitutes certainty for uncertainty as regards the economic cost of loss producing events. The insurance industry is highly competitive in India. Several private insurance companies are emerging in insurance sector in India. Even though, LIC as a prominent position in insurance sector in India. The financial performance of LIC shows better efficiency and stable than Private life insurance companies. But, from the opinion of Policyholders, It reveals that satisfaction level of private policyholders shows better than LIC policyholders. Therefore, LIC should introduce
innovative policies for improving the satisfaction level of consumers and also improve the financial performance of private life insurance companies.

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CHALLENGES OF MSME: AN ANALYTICAL STUDY OF TEXTILE INDUSTRIES IN PANIPAT

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Email: veenasinghv@gmail.com

ABSTRACT
Worldwide textile enterprises have been accepted as a backbone of economic growth and for promoting overall development. In developing countries including India textile MSMEs sector constitute an important part in its development. In spite of this importance, textile MSMEs face number of Problems like inadequate and timely supply of bank finance, difficulties in procuring raw materials, marketing and distribution challenges, difficult procedures to establish textiles units and non-availability of suitable technology. This paper tries to identify the various barriers regarding finance, labour and marketing faced by textile MSMEs. The study is based upon the primary data collected from the 45 textile unit’s owners Panipat district of Haryana. The data has been analysis with the help of percentage. The study attempts to submit some recommendations to enhance the overall growth and development of textile industry.

Keywords: Micro; Small and Medium Enterprises; Textile Industry; Growth; Development

INTRODUCTION
Panipat is a city of textile and carpets. It is the biggest center for quality blankets and carpets in India and has a handloom weaving industry. In addition, Panipat city is the biggest centre of "Shoddy Yarn" in the World. Blankets prepared through Handloom and Power loom are sent to soldiers. The Smalkha subdivision of this district is famous for Foundry of Agriculture instruments. In this way, this district, which is continuously developing on the industrial base, has an unlimited employment capacity. Not only from Haryana but Businessmen and Engineers and unemployed worker artist Weavers and labour from other states of India visit here in search of employment and settle here permanently.

Textile Industries in India
The textile industry is the one of most important industries for the Indian economy. It is highly diverse sectors in India. On one hand it has hand spun and hand woven segment and on other hand it has capital intensive and modern mills industry. India is second largest producer of textile in the world. Indian textile industry contributes 4% of GDP, 14% of industrial production and 17% of country’s total export earnings. Further this sector provides employment to approx.35 million people and it is second largest employment provider sector after agriculture industry. Thus growth and development of textile industry has direct influence on the growth and development of whole Indian economy.

Textile Industries in Panipat
The textile industries alone in Panipat are divided into following 8 segments that are all related to textiles business of this place: These are Handloom Industries, Power Loom Industries, Carpet Industries, Shoddy and Woolen Yarn Spinning Industries, Cotton Yarn Spinning Industries, Woolen Blanket Industries, Cotton Wet Processing Industries and Woolen Processing Industries. Panipat has over 50000 pit looms and frame looms, most of their products are manufactured for exports which are approx. RS.1200 crores annually. It provides employments to more than one lakh workers. Power
loom is the fastest growing segment of textile industries in Panipat. It has ca 1500 units, collectively possess 25000 ordinary power looms. There are more than 60 units operating 1100 shuttle less looms as well it offers employment to around 30000 people in Panipat. Their range of products include bed sheets, upholstery, and curtains made from fabrics like cotton, silk, polyester, polypropylene, and acrylic.

Carpet industries of Panipat produce premium quality carpets at affordable prices. The hand tufted carpets of Panipat are priced much below than those manufactured in other areas. It has more than 400 units giving annual turnover above Rs.150 crores and providing employments to around 60000 workers, crores. The raw materials for these industries acquired from local suppliers cities like Jodhpur and Bikaner. The carpets produced in these factories are mainly exported with only 10% remaining to be sold in domestic markets. The carpets manufactured here include designed hand tufted and plain handloom carpets. Panipat has around 350 Shoddy and Woolen Yarn Spinning units Panipat is the largest importer of rags used for this processing and these rags are imported from European nations and then, spun into shoddy yarn.

Panipat has around 45 open end spinning units and 5 ring frame spinning units for cotton yarn. 75% produce of these industries is consumed by handloom industries of Panipat and remaining only 25% of total production is sold in outside markets. Panipat is second largest producer of woolen shawls, loi, and blankets after Amritsar. It has 400 units under this industry provide employment to approx 25000 workers and generate turnover of approx. Rs. 250 crores. Major share of 70% from these industries is sold to government by Panipat industries. There are around 350 dye units and more than 75 printing units in Panipat for cotton wet processing. There are more than a hundred Woolen Processing Industries, basically set up to give finishing touch to the blankets manufactured in Panipat catering to woolen blanket industries of the city.

REVIEW OF LITERATURE

Popli & Rao (2009) concluded that there is requirement of strong and supportive financial system, technology upgradation and government support for the growth and development of SME textile units. Further investment should be made in the areas of market research, employee’s welfare and research & development.

Gaurav & Tyagi (2009) Analysed the impact of liberalization on the Indian textile industry through comparing the performance of the firms incorporated before liberalization and firms incorporated after liberalization in the industry. This study analysed the impact of marketing expenses, wage and salary, and age of the firms on the firms’ performance and found that there is no significant difference in the performance of firms incorporated before liberalization and firms incorporated after liberalization in terms of their ROCE but there is significant impact of marketing expenses on the firm performance in terms of net sales in all other firms except high size firms incorporated after liberalization.

Azhagaiah, Rao, & Rao (2011) this paper analyzed the trends and patterns of efficiency of (WC) utilization in respect of size of firms of cotton textile sector in India on the application of three indices. These are Performance Index (PI), Utilization Index (UI), and Efficiency Index (EI). For the purpose of analysis the selected firms are classified into three categories 1. Small 2. Medium and 3. Large based on average assets size over the study period. The study reveals that Linear Growth Rate (LGR) of PI, UI and EI in respect of WC efficiency for small size firms is significant. For medium size firms; the trend of UI alone is significant. On the other hand the trend of PI, UI and EI for large size firms is insignificant. Overall, despite the positive growth in PI, the WCM efficiency of overall firms is found to be not encouraging because of declining of constant factors. It shows that the fixed components of WC are more than the varying components of the WC.

Neelam Jain (2012) concluded that the MSMEs in the Textile Industries generally face problems regarding finance, rate of interest, taxation and subsidies for which government policies are not clear and supportive to the entrepreneurs. Further most of MSMEs play a vital role in the growth of the region as it generates employment opportunities. Most of the MSMEs in Panipat are depends on labour
who have lack of knowledge about new technologies and R &D and even they are leased concerned about the same. Government should take some important steps regarding lower rate of interest and to develop textile MSMEs.

Tandon, Noopur (2013) concluded that textiles industry and its Labour relations are undergoing profound changes. The producers’ control over the product market has been increased. There is a need to improve credit schemes, welfare schemes, compensation policies and skill development for workers. The Government and the industry need to collaborate and establish an action plan which can remove the barriers and increase the contribution of textiles in the GDP. It would lead sustainable growth in the textile industry.

Radhika (2013) concluded that the business environment will be more competitive in future. So there is need arises to research and development to develop new products, reduce transaction cost, reduce per unit cost and improve its raw material base .Industry has also an urgent requirement of modernization, technical change, restructuring and financial support and has to move fast in innovation, manufacturing and promotion to compete successfully in the rapidly changing scenario.

Anju Lather (2013) highlighted the importance of textile industry in generating employment by lesser per capita investment wherever larger investment and consequently larger number of employment needed by other enterprises because of enhance operations with passage of time and the requirement of investment in plant and machinery is different across sectors. The Panipat textile Industry has made a phenomenal growth especially in the post MFA regime. The number of textile enterprises has flourished dramatically. It is concluded from the survey that relationship between the owner’s funds across sectors is found to be insignificant. It was also revealed that the main reason behind decrease in the installed capacity utilization from 2007 to 2010 was non availability of labour due to the implementation of National Rural Employment Guarantee Act (NEGRA) on Feb 2006 by most of respondents during data collection.

OBJECTIVES OF THE STUDY

Objective of the study is to find out the various problems related to finance, labour and marketing which is faced by textile MSMEs of Panipat and to recommend suggestive measures to government and to entrepreneurs to enhance the growth of textile MSMEs.

JUSTIFICATION OF THE STUDY

No doubt many researches have been carried out by researchers on the problems of textile MSMEs but there is a gap between these studies. Further there is need to deep study of problems of finance, labour and marketing faced by textile MSMEs.

HYPOTHESIS

In order to ensure effective analysis of data collected for the study following hypothesis has been framed:

1. \( H_0 \): There is no significance difference between various financial problems faced by textile Micro, Small and Medium enterprises (MSMEs).

2. \( H_0 \): There is no significance difference between various labour problems faced by textile Micro, Small and Medium enterprises (MSMEs).

3. \( H_0 \): There is no significance difference between various marketing problems faced by textile Micro, Small and Medium enterprises (MSMEs).

DATA SOURCE AND METHODOLOGY

The research would collect both Primary and Secondary data. The required secondary data has been obtained from various Journals, Newspapers, internet and different government agencies like DIC, Pollution control board etc.
Research Design

The present research is descriptive and analytical in nature. Information has been collected from the respondents with the help of a structured questionnaire and personal interview technique. The population of the study was the Panipat region in Haryana. Here for the study a sample size of 60 textile MSME units were selected through Purposive sampling technique out of which 15 questionnaires were found to be incomplete. Therefore, data from 45 entrepreneurs has been collected, compiled and analyzed.

Tools of Data Analysis

The data collected has been duly tabulated and classified. Thereafter it has been analyzed with the help of simple percentage technique to describe the present status of respondents. Chi-square test ($\chi^2$-Test) has been used to study the relation between various problems among textile MSME units as well as to study the quantitative and qualitative variables.

DATA ANALYSIS AND DISCUSSION

1H$_0$: There is no significance difference between various financial problems faced by textile Micro, Small and Medium enterprises (MSMEs).

<table>
<thead>
<tr>
<th>Problems Related To Finance</th>
<th>Total Respondents= 45</th>
<th>N= Number Of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
<td>Lack Of Credit Facilities</td>
<td>High Rate Of Interest</td>
</tr>
<tr>
<td>N</td>
<td>%</td>
<td>N</td>
</tr>
<tr>
<td>Micro</td>
<td>4</td>
<td>28.57</td>
</tr>
<tr>
<td>Small</td>
<td>6</td>
<td>40</td>
</tr>
<tr>
<td>Medium</td>
<td>5</td>
<td>31.25</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>33.33</td>
</tr>
</tbody>
</table>

$\chi^2 = 2.998$, V = 4, Table Value = 9.49

Source: Compiled by researcher through primary data, 2014

Table -1 shows that Micro (28.57%), Small (40%) and Medium (31.25%) entrepreneurs feel that there are lack of credit facilities on the other hand Micro (50%), Small(33.33%) and Medium (25%) entrepreneurs also feel that rate of interest on loan which are provided by banks are very high. Table -1 reveals that Micro (21.43%), Small (26.67%) and Medium (43.75%) entrepreneurs accepted that there is lack of capital to run and increase the business. Since, the calculated value of $\chi^2$ at 5 % level of significance is less than tabulated value; hence we accept 1H$_0$ and conclude there is no significant difference between financial problems faced by textile MSMEs. Thus the above information leads us to the conclusion that financial problems faced by textile MSMEs are more or less is same.

2H$_0$: There is no significance difference between various labour problems faced by textile Micro, Small and Medium enterprises (MSMEs).

<table>
<thead>
<tr>
<th>Problems Related To Labour</th>
<th>Total Respondents= 45</th>
<th>N= Number Of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
<td>Unskilled</td>
<td>High Wage Rate</td>
</tr>
<tr>
<td>N</td>
<td>%</td>
<td>N</td>
</tr>
<tr>
<td>Micro</td>
<td>6</td>
<td>42.86</td>
</tr>
<tr>
<td>Small</td>
<td>5</td>
<td>33.33</td>
</tr>
<tr>
<td>Medium</td>
<td>5</td>
<td>31.25</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>11</td>
</tr>
</tbody>
</table>

$\chi^2 = 3.149$, V = 4, Table Value = 9.49

Source: Compiled by researcher through primary data, 2014
Table -2 depicts that Micro (42.86%), Small (33.33%) and Medium (31.25%) entrepreneurs told that there are lack of skilled labours whereas Micro (35.71%), Small (20%) and Medium (18.75%) entrepreneurs told that labours in Panipat district demand high wages that leads high cost of production. High wage rate reduces the profit of entrepreneurs. Since most of the workers working in textile MSMEs are unskilled, hence entrepreneurs don’t want to give high wage to unskilled labour. There is lack of skill development programs running by government. Further people don’t have any knowledge about these skill development programs. Table -2 present that Micro (21.43%), Small (46.67%) and Medium (50%) entrepreneurs accepted that there is shortage of local area worker. Most of workers come from Uttar Pradesh, Bihar and outside Haryana. They don’t stay there permanently. Since, the calculated value of $\chi^2$ at 5 % level of significance (3.149) is less than tabulated value (9.49); hence we accept $H_0$ and conclude there is no significant difference between labour problems faced by textile MSMEs. Thus the above information leads us to the conclusion that financial problems faced by textile MSMEs are same.

3$H_0$: There is no significance difference between various marketing problems faced by textile Micro, Small and Medium enterprises (MSMEs).

### Table 3. Problems Related To Marketing (In %)

<table>
<thead>
<tr>
<th>Units</th>
<th>In Inferior Quality N=</th>
<th>Total Respondents=45</th>
<th>N= Number Of Respondents</th>
<th>Lack Of Advertisement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>2</td>
<td>14.29</td>
<td>10</td>
<td>71.43</td>
<td>2</td>
</tr>
<tr>
<td>Small</td>
<td>2</td>
<td>13.33</td>
<td>9</td>
<td>60</td>
<td>4</td>
</tr>
<tr>
<td>Medium</td>
<td>1</td>
<td>6.25</td>
<td>4</td>
<td>25</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td></td>
<td>23</td>
<td></td>
<td>17</td>
</tr>
</tbody>
</table>

$X^2 = 10.629, V = 4, Table Value = 9.49$

Source: Compiled by researcher through primary data, 2014

Table -3 reveals that only Micro (14.29%), Small (13.33%) and Medium (6.25%) entrepreneurs told that quality of their product looks not good and competitive in front of other large and medium scale export oriented industries. Table-3 also shows that Micro (71.43%), Small (60%) and Medium (25%) entrepreneurs agreed that there is a tough competition among textile MSMEs in the world. Medium scale industries have upgraded technology and invest more amounts in technology. As per table-3 only 25% entrepreneurs of Medium scale industries accepted that they faced competition. In the other hand Micro (71.43%) and Small scale (60%) entrepreneurs told that they faced more competition. Table -3 present that Micro (14.29%), Small (26.67%) and Medium (68.75%) entrepreneurs told that lack of advertisement is the big problem of MSMEs. Without advertisement MSMEs can’t shows their products features and can’t to increase their product’s trade. 68.75 % Medium scale entrepreneurs told that they need more advertisement. Since, the calculated value of $\chi^2$ at 5 % level of significance (10.629) is more than tabulated value (9.49); hence we reject $H_0$ and conclude that there is significant difference between marketing problems faced by textile Micro, Small and Medium enterprises (MSMEs). Thus the above information leads us to the conclusion that marketing problems faced by textile MSMEs are not same.

**SUGGESTIVE MEASURES**

During the survey it is observed that textile industry in Panipat is facing various problems regarding finance, lack of credit facilities, high interest rate, unavailability of skilled labour, technology up gradation, lack of firsthand information, lack of advertisement, marketing etc. The following suggestive measures are recommended to overcome the challenges of MSMEs:

1. Finance is most important factor for every enterprise. Adequate credit facilities should be provided by the government to MSMEs on lower interest rate along with minimum documents related formalities.
2. Subsidies can be given only to new entrepreneurs for the establishment of textile MSMEs.

3. Instruction can be given to loan provider banks to give information, training and other support to enhance their business and by which they can be able to pay their loan easily.

4. Technology up gradation can play an important role in the growth of textile industry to improve productivity level. Technology Upgradation Fund Scheme (TUFS) has a major role in enhancing the technology up gradation efforts in textile industry. There is a need to spread the information regarding TUFS among entrepreneurs to get maximum benefits from this program.

5. There is also needs for skilled labours that can work efficiently and understand the modern production process. Currently there is a gap between availability of skill labour. More training institutes should be opened to increase the availability of skilled labour. These institutes can be opened with Public-Private Partnership (PPP) mode.

6. Capacity of power loom services centre to conduct training program should be expanded. It is required to spread information about these services centers through different Communication channels like Radio, T.V. etc.

7. Wage rate per hour can be fixed by government after discussion with worker union and MSMEs entrepreneurs.

8. Government should make supportive policies for MSMEs to sell their products in domestic and foreign market.

CONCLUSION

In this study it is observed that textile industry in Panipat is facing various problems regarding finance, labour and marketing. During the study it is found that there is no significance difference between various finance and labour problems faced by textile Micro, Small and Medium enterprises (MSMEs). It is concluded that the MSMEs in the Textile Industries generally face problems regarding lack of capital, lack of credit facilities and high rate of interest for which government policies are complicated and not supportive to the entrepreneurs. Most of the textile MSMEs in Panipat are depends on labours that have lack of knowledge about new technologies and R &D and even most of them are unskilled but they demand high wages. Study also found that there is a significance difference between various marketing problems like inferior quality, tough competition and lack of advertisement faced by Micro, Small and Medium enterprises (MSMEs) due to lack of technology upgradation and lack of finance. Government should take some important steps regarding lower rate of interest, technology upgradation, fixed wage rate, liberal taxation policy, and more subsidies to MSMEs, skill development and to increase training programs to remove challenges and to develop the textile MSMEs.

ACKNOWLEDGEMENT

Author is grateful to Dr. Seema Mahlawat, Assistant Professor, Indira Gandhi University Meerpur, Rewari for their valuable suggestions and comments in improving the quality of this paper.

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ACCOUNTING SYSTEM IN HIGHER EDUCATION: A STUDY OF COLLEGES IN MUMBAI CITY DISTRICT

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ABSTRACT
Higher education is the place and seat of learning where majority of younger generation is involved. Thus, higher education becomes a major industry which creates skilled and qualified human resources. Higher education, especially given through colleges and universities involve financial activities through their core activity is catering education to their students. Financial transactions, methods and systems of accounting used by these colleges invoke interests in the minds of many. The Arts, Science and Commerce colleges in Mumbai City District which are affiliated to University of Mumbai and are also aided by the UGC are selected in this paper to collect the data. On the basis of the collected information, inferences are drawn regarding the usage of accounting systems practised by the sample colleges. The present paper attempts to throw light upon the prevailing accounting practices in the conventional colleges. Also, an attempt is made to evaluate the data gathered through questionnaire regarding the maintaining of accounts with respect to curricular activities, co-curricular activities and extra-curricular activities in colleges.

Colleges prepare their budget for the financial year keeping in view the activities that the institute designs to conduct throughout the year. Some colleges follow Cash Basis of Accounting System whereas a few follow Accrual Basis of Accounting. Even some colleges follow the hybrid or mixed system of accounting for maintaining their accounts. Further, the present paper attempts to make certain suggestions and recommendations in order to overcome the deficit in finance faced by these colleges.

Keywords: Higher Education; Accounting; Cash Basis; Accrual Basis; Budgetary Control System

INTRODUCTION
Higher education, that is education in colleges and universities, is a tool to produce qualified human resources. Thus, higher education becomes input to the growth and development of business and industry in particular and society in general. It caters a mechanism for qualified scientists and researchers who would continuously develop the frontiers of knowledge. Also, higher education proliferates an efficient management of teaching provision. Many educationists strongly believe that teaching is the base of educational institutions. According to Ronald Barnett, “The terms higher education includes college and university teaching learning towards which students’ progress to attain higher educational qualification. Higher education imparts in-depth knowledge in different walks of life (subject domains). It is about knowing more and more about less and less. It develops the student’s ability to question and seek truth and makes him/her competent to critique on contemporary issues. It broadens the intellectual power of the individual within a narrow specialization, but also gives him/her a wider perspective of the world around.”

Higher education in India has grown significantly in the recent decades. The number of students enrolled for higher education in India exhibits a tremendous increase, which signals that higher education is one of the largest systems of its kind in the world in the recent past. However, the system
has been struggling with several problems like funds crunch, equity, reorientation of programmes, ethics, value associated to delivering education, teaching-learning process, assessment and accreditation of institutions, academic standards of the students, quality of research, innovativeness and creativity in the curricula and the syllabi as well as research. Such factors are directly or indirectly connected with the budget and budgetary control system in higher education.

Extending the boundaries of management accounting research is a resourceful book by Otley published in the year 2001 which describes, “budgetary control as consisting of planning, controlling, co-coordinating and motivation through money values and departments within an organization from an overall company control perspective, more recently notes that the assumption of budgetary control is that it is the main integrative control method for most business enterprises. The assumption being that an organization’s business plan can be represented financially by the budget and that the budget can be used as a monitoring and controlling method for the complex issues of the business plan. This emphasis sees the budget linked to the overall attainment of organization performance targets.” Here, Otley insists upon the managerial skill at the apex of monitory activity. According to him, for the external public a budget is the financial plan but internally, it is a more complex activity being monitored and controlled by the management.

However, in 2006 Otley alters and modifies his definition of budget and budgetary control by expanding the arena of the concept. In his Trends in budgetary Control and responsibility accounting in Contemporary Issues in Management Accounting he captures, “The place of the budget in management control will be taken by other performance management systems. These may include such mechanisms such as the BSC of non-financial performance measures; activity-based management (ABM) systems and other forms of business process management; benchmarking techniques for target setting, customer relationship models and so on. Managers will thus be given a variety of operating performance measures by which their performance will be assessed and managed.” The views stated above configure budget and budgetary control system as mechanism of management performance which not only assesses the performance of the company but also the models of customer relationship. The present paper aims to analyze and interpret of the budgetary control system as has been practiced by Arts, Commerce and Science colleges in Mumbai City District which are affiliated to University of Mumbai. Also, to analyze and assess the areas of applications of the Budgetary Control System and techniques used thereunder, needs to be strengthened, for the effective and efficient financial management of the college administration, by Arts, Commerce and Science colleges in Mumbai City District which are affiliated to the University of Mumbai.

OBJECTIVES OF THE PAPER

1. To analyze and interpret of the budgetary control system as has been practiced by Arts, Commerce and Science colleges in Mumbai City District affiliated to University of Mumbai.

2. To study Budgetary Control System as a technique for effective and efficient implementation of management functions in Arts, Sciences and Commerce colleges in Mumbai City Districts.

3. The present paper attempts to throw light upon the prevailing accounting practices in the conventional colleges.

METHODOLOGY

The above information is derived from the office bearers and stake holders in colleges—Principals and Registrars—are interviewed through a Questionnaire.

The present paper attempts to make certain suggestions and recommendations in order to overcome the deficit in finance faced by these colleges.

The present paper attempts to study Budgetary Control System as a technique for effective and efficient implementation of management functions, and, to assess its impact on policies and procedures practiced by the colleges in achieving their objectives by selecting some sample colleges in Mumbai.
City District which are affiliated to University of Mumbai. Mumbai is considered to be the largest city of Western India, and is also considered the gateway to India. Mumbai City District is considered as a district of Maharashtra in Konkan Division. Today, Mumbai municipality includes both districts, namely, Mumbai city and Mumbai Suburban. The city's area covers 67.7 sq. km. approximately.

The Census Statistic of 2011, counts “the population of India as 1,210,193,422 with 623,724,248 males and 586,469,174 females. The rate of literacy found to be a total of 74.04% with 65.46% literate females and 82.14% males. This is a 09.81% increase since the last census. In 2011, Mumbai City has population of 3,145,966 of which male and female account for 1,711,650 and 1,434,316 respectively. Average literacy rate of Mumbai City in 2011 is 88.48% as compared to 86.40% of 2001.”

The British rulers in India took initiative in the development of colleges in South Mumbai mainly to cater to the educational need of European population, which was settled in Fort, South and Colaba area of Mumbai and also for some Indian residents in Fort North, Dhobi Talao, Esplanade and Chowpatti area of Mumbai city. With this view, Elphinston College was established in 1857 followed by St. Xaviers and Wilson College. Eventually, by the time of Independence some colleges developed in South Mumbai, namely, Siddharth College and Jai Hind College. These colleges are situated in the core of the city. Similar development is traced in Girgaon, Chowpatti area. Beyond South Mumbai, the textile industry developed in Byculla, Parel, Lalbaugh, Nagaoon, hence there was not much of development of colleges except M.D College in Parel. At present, there are 93 colleges in Mumbai city and 187 colleges in the suburb.

One can also witness successive developments of educational institutions in Dadar and Matunga in the western line. The Ruiya, Khalal, SIES College developed in the central line and Ruparel and Kirti developed in the western line. As per University of Mumbai’s rule each college should have a catchment area of 5 km radius in the city. Further addition of the colleges is not possible because the existing colleges are located in close proximity with each other. Mumbai City District has as many as 93 colleges, which are affiliated to University of Mumbai, of these 45 colleges have full-fledged streams of Arts, Science and Commerce in isolation or in combination and the remaining includes Natural Science, Fine Arts, Physical Education, Education, Engineering Colleges, Management Studies, Law, and B.Sc. Marine.

Every college observes certain methods and standards for recording its financial activities and transactions which is a suitable and accepted Accounting system. Therefore, it becomes necessary to trace the definition of Accounting. Dictionary of Accounting Terms traces the Accounting System as: “Methods, procedures, and standards followed in accumulating, classifying, recording, and reporting business events and transactions. The accounting system includes the formal records and original source data. Regulatory requirements may exist on how a particular accounting system is to be maintained.” (Joel G. Siegel and Jae K. Shim:2000: 39)

In order to meet the day to day requirements, the colleges in Mumbai City District need to record the transactions either on Cash Basis or on Accrual Basis Accounting. According to The Dictionary of Accounting Terms, Cash basis accounting is a “Method of recognizing revenue and expenses when cash is received or disbursed rather than when earned or incurred.” (Joel G. Siegel and Jae K. Shim:2000: 57)

Actually, cash basis accounting system is a system of accounting that recognizes revenue in the order in which it is received, and expenses on the same basis. Cash basis accounting does not deal with accounts receivable or accounts payable and only recognizes transaction actually paid for. This accounting system is easiest and perhaps best for organizations with few or no outstanding transactions or transactions in arrears. The colleges under study practise cash basis accounting system in their domains. It is the practice of recording the day-to-day transactions of receipts and payments on cash basis.

Eventually, a college has to follow Accrual Basis Accounting along with Cash Basis Accounting. Accrual Basis Accounting cater the colleges the power to have transactions even there is no cash in
hand. It is, therefore, essential for the colleges to follow both types of accounting systems available with them. For this purpose, it becomes necessary to see the definition of Accrual accounting. Dictionary of Accounting Terms defines accrual basis accounting as, “Recognition of revenue when earned and expenses when incurred. They are recorded at the end of an accounting period even though cash has not been received/ paid. The alternative is cash basis accounting.” (Joel G. Siegel and Jae K. Shim:2000: 59)

It is observed that the colleges under study use cash basis for registering and reporting their financial activities to their respective authorities, such as the Director of Higher Education, Mumbai and the management of their college. These reports include the annual budget.

As Cash Basis Accounting System cannot be implemented completely due to its limitations, Accrual Basis Accounting System is preferably a better system for colleges. If there is shortage or no cash, there is no transaction; hence, accrual basis accounting helps the colleges to complete their transactions even when there is no cash in hand or shortage of cash with the institution. Many colleges prefer cash basis accounting system. Some of them follow accrual basis accounting system whereas some prefer mixed accounting system. The following chart traces the practices of accounting system practised by the sample colleges.

![Figure-1: Accounting System](image)

It is observed that there are 86.67% of Mumbai City District colleges follow cash basis accounting system and 06.66% of the respondent colleges follow accrual basis of accounting system whereas 06.67% of the respondent colleges follow hybrid (combination of both bases of accounting) basis of accounting system. It is concluded that majority of colleges prefer cash basis accounting system. Very few colleges prefer accrual basis accounting system whereas some prefer hybrid accounting system for their day-to-day transactions. Cash basis, therefore, is a common and suitable accounting system to colleges.

Budgetary control system is a control technique whereby actual results are compared with budgets. Any differences or variances are made with the responsibility of key individuals who can either exercise control action or revise the original budgets. A budget is basically a yardstick against which actual performance is measured and assessed. Control is provided by comparisons of actual results against budget. Budgetary control system compels business administration to think about the future that is most likely the crucial characteristic of this system. It coerces management to look into future, to outline thorough plans for attaining the objectives for each department, operation and each manager, to predict and grant the organization purpose and direction. Budgetary control is defined by the Institute of Cost and Management Accountants (CIMA) as, "The establishment of budgets relating the responsibilities of executives to the requirements of a policy, and the continuous comparison of actual with budgeted results, either to secure by individual action the objective of that policy, or to provide a basis for its revision."
Effective Budgetary Control System involves some steps, such as formulation of budgets, recording the actual performance, comparison between the actual and budgeted performance, calculation of differences occurs in both the performances (variances), analysis of the reasons of differences in between budgeted and actual performance, reporting the management for effective administration in future and taking corrective action for further development and effective budgetary control system.

The data stated in the following table focuses the position of application of Budgetary Control System in the sample colleges in Mumbai City District.

The Status of Effectiveness of Budgetary Control System:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Response-1</th>
<th>Response-2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you have an effective Budgetary Control System in your college?</td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Yes</td>
<td>12</td>
<td>80</td>
</tr>
<tr>
<td>No</td>
<td>03</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Note: Response-1- Principal and Response- 2- Registrar or Office Superintendent

There are 12 (i.e. 80%) of the respondent colleges which agree that they have effective Budgetary Control System in their colleges. However, there are 03 (i.e. 20%) of the respondent colleges which do not have an effective Budgetary Control System. The present study projects that majority of colleges have effective Budgetary Control System.

Due to the hike in prices of the commodities in the market, it is oftentimes observed that a college feels it difficult to meet its requirements within the budgeted amount. This situation of exceeding of expenses over the budgeted amount is known as budget deficit or shortage of funds. Michael Burda and Charles Wyplosz in their book *European Macroeconomics* touch upon the definition of Budget deficit as, “The meaning of 'deficit' differs from that of 'debt', which is an accumulation of yearly deficits.

When a college’s net amount received (revenues less expenditures) falls short of the projected net amount to be received, it can be said that the college has deficit revenue. This occurs when the actual amount of revenue received and/or the actual amount of expenditures do not correspond with predicted revenue and expenditure figures. This is the opposite of a revenue surplus, which occurs when the actual amount exceeds the projected amount. Majority of the sample colleges complain that they are always facing this crisis of deficit budget. The data about the budget deficit given below presents the actual situation in the sample colleges which is evident in the curricular and co-curricular activities of the colleges.

The Procedural Aspect of Budget Allocation in the Colleges:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Response-(Both)</th>
<th>On Account of</th>
<th>Co-curricular Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Response-1</td>
<td>Curricular Activities</td>
<td>%</td>
</tr>
<tr>
<td>Does your budget allocation fall short than the actual requirement?</td>
<td>Yes</td>
<td>%</td>
<td>04</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>73.33</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>04</td>
<td>26.67</td>
<td>NA</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>100.00</td>
<td>04</td>
</tr>
</tbody>
</table>
In 11 (i.e. 73.33%) of the respondent colleges the budgetary allocations fall short than the actual requirements of the respective departments or programmes; out of which for 04 (i.e. 36.36%) colleges it falls short on account of curricular activities, and for 07 (i.e. 63.64%) colleges it falls short on account of co-curricular activities. In 04 (i.e. 26.67%) respondent colleges the budgetary allocations do not fall short than the actual requirements of the respective departments or programmes. The 04 of the respondent colleges where the budgetary allocations falls short on account of curricular activities, comes to 26.67% of the total respondent colleges and the 07 of the same, where the budgetary allocations falls short on account of co-curricular activities comes to 46.66% of the total respondent colleges under the study.

The study throws light upon the fact that approximately 74% of the sample colleges face deficit budget. Generally, it is observed that in the Science stream, it is in the curricular activities the deficit is found, whereas in the Arts and Commerce streams it is in the cultural activities the same is traced.

The personal interactions and interviews with the authorities concerned in this domain, enables the researcher to arrive at certain suggestions that can be incorporated in uplifting and enhancing the budget and budgetary control system that is being practised in colleges of Mumbai City District which are affiliated to University of Mumbai.

In Budget and Budgetary Control System, instead of practising the rigidities of cash-basis accounting system in degree colleges, it would be beneficial if the colleges observe mercantile basis accounting which will cater them the facility of adjustment of the cash-flow and expenditure of both the academic as well as accounting years.

All the colleges should follow a unique practice of accounting reporting by preparing the reports at regular intervals- quarterly. Though all colleges prepare and submit their annual report of accounts/transactions to the parent body concerned, it is suggested that all colleges should publish their report of accounts/transactions to the public just like a company or a firm, so that it will be transparent and will gain the confidence of the society. In this way higher education will be bridged with society. Sometimes, it may even invite donations from the public by showing its actual deficit.

It is suggested that colleges should do activity based costing which will help them to generate revenue according to the requirement of the funds in the same. This micro level of costing will lead to micro level of budgeting which further will help the colleges to have balanced revenue and expenditures.

CONCLUSION

Majority of colleges prefer cash basis accounting system. It is observe that Cash basis is a common and suitable accounting system to colleges. The present study projects that majority of colleges have effective Budgetary Control System as Effective Budgetary Control System involves some steps, such
as formulation of budgets, recording the actual performance, comparison between the actual and budgeted performance. The study throws light upon the fact that approximately 74% of the sample colleges face deficit budget. Generally, it is observed that in the Science stream, it is in the curricular activities the deficit is found, whereas in the Arts and Commerce streams it is in the cultural activities the same is traced.

REFERENCES


WOMEN AND INDIAN SCENARIO

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ABSTRACT
Women are the best creature of god. She can create as well as destroy the whole world. Woman is one who convert house into home. For the prosperity of nations across the world the contribution of women as leaders is essential in every sector. Women continue to make incredible progress in spite of the various challenges faced by them. But, the role of women in economic value creation has not been properly recognized and not much attention is paid as they deserve, whether it is providing moral support to male partners to pursue their careers, supplementing family income due to terrible necessities or pursuing corporate careers. There are only 14% women in IAS, 4.6% in IPS and only 9% in central government employment. In the corporate sector, among the 100 companies listed on BSE, there were only 59 women among the 1112 directors. 80% of tribal girls and 72% of SC girls dropped out of school before completing class X, in a scenario where only 30% of the girls enrolled in the schools in the first place. According to NASSCOM, the ratio of men and women in Information Technology (IT) and Information Technology Enabled Services (ITES) sector could be 65:35 by the year 2010. The Watson Wyatt study says that the younger generation of women in India is expected to achieve educational parity with men by 2016. As more women strive for change, we need leaders. We have a very progressive constitution and laws that protect our rights. But our track record is pathetic in enforcement. We need leaders who are aware of the tremendous possibilities of affirmative legal action and have stamina to make the law move. Whether it is Minimum Wages Act at construction sites or enforcing the sexual harassment policy within a company, or using the powerful Right to Information Act, leaders need to make the legal system their strike force.

Keywords: CEO; Female Foeticide; Corporate World

INTRODUCTION
Women are the best creature of god. She can create as well as destroy the whole world. Woman is one who convert house into home. Since ancient times women fully support men in all fields. Kekayi step mom of Lord Ram was a warrior, razia sultan was the emperor of Delhi are some of the famous examples. But during last few decades the position of women degrades in the society. But still there is women empowerment in many fields. There is drastic change in the role of women in many fields like corporate sector, political sector, film industry etc. According to NASSCOM, the ratio of men and women in Information Technology (IT) and Information Technology Enabled Services (ITES) sector could be 65:35 by the year 2010. The Watson Wyatt study says that the younger generation of women in India is expected to achieve educational parity with men by 2016.
METHODODOLOGY

This research is based on secondary data. While doing the findings proper care is given to the objective of the research. Relevancy and time period of data collection is also kept in mind. Data used in this research is appropriate according to the need of the topic.

REVIEW OF LITERATURE

For the prosperity of nations across the world the contribution of women as leaders is essential in every sector. Women continue to make incredible progress in spite of the various challenges faced by them. But, the role of women in economic value creation has not been properly recognized and not much attention is paid as they deserves, whether it is providing moral support to male partners to pursue their careers, supplementing family income due to terrible necessities or pursuing corporate careers. In every scenario women have been playing a valuable role. Women were largely content with playing a supportive role in economic value creation.

Over the last decade, the no. of women entered into corporate world has showed a tremendous change. According to NASSCOM, the ratio of men and women in Information Technology (IT) and Information Technology Enabled Services (ITES) sector could be 65:35 by the year 2010. The Watson Wyatt study says that the younger generation of women in India is expected to achieve educational parity with men by 2016. Now many corporates recruits female graduates from B-Schools, due to the unique characteristics of having more empathy, perseverance and flexibility which are enablers for successful management practices among them. With more women entering the corporate world, there is a need to understand the identity of women, their aspirations and to put in place new management practices in order to keep pace with the change in gender ratio and the resulting work environment.

Generally, there was a misconception about a woman’s ability to balance her work and personal life. There are many women, who committed themselves to the success and growth of corporates. Some of them are: Anne Mulcahy at Xerox, Carly Fiorina of Hewlett-Packard, Sara Mathew of Dun & Bradstreet Inc., Sulajja Firodia Motwani of Kinetic Engineering Ltd., Ranjana Kumar of NABARD, Vidya Chhabria of Jumbo Group, Naina Lal Kidwai at HSBC, Indra Nooyi at PepsiCo, Kiran Mazumdar Shah at Biocon, Lalita Gupte and Chanda Kochchar of ICICI. These are a few notable examples of women, who not only balanced their home life with their work, but also reached top positions in their respective organizations with their own styles of leadership. A woman’s journey to such positions is not easy. Many research studies strongly support that women are born with the power of handling situations as they are tough warriors. Many experts strongly believe that women are associated with more participative and interactive management skills. With this they not only encourage their employees, but also make them feel more as part of one family. This, in turn, helps them to achieve their goals and objectives successfully. More and more women are making their mark in all spheres of life day by day. Along with the traditional areas of education, health and hospitality, women professionals are now increasingly contributing to the challenging areas of finance, IT, media, management and research. In which it was perceived that only men are masters. This will increase the confidence of women and it seems that now they want to make up for lost opportunities.

Famous Women CEO's

<table>
<thead>
<tr>
<th>CEO</th>
<th>Company</th>
<th>2014 Fortune 500 ranking</th>
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<tbody>
<tr>
<td>Mary Barra</td>
<td>General Motors</td>
<td>7</td>
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<tr>
<td>Meg Whitman</td>
<td>Hewlett-Packard</td>
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<tr>
<td>Virginia Rometty</td>
<td>IBM</td>
<td>23</td>
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<tr>
<td>Patricia A. Woertz</td>
<td>Archer Daniels Midland Company (ADM)</td>
<td>27</td>
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<tr>
<td>Indra K. Nooyi</td>
<td>PepsiCo, Inc.</td>
<td>43</td>
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<tr>
<td>Marillyn Hewson</td>
<td>Lockheed Martin</td>
<td>59</td>
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<tr>
<td>Safra A. Catz</td>
<td>Oracle</td>
<td>82</td>
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<tr>
<th>CEO</th>
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<tr>
<td>Ellen J. Kullman</td>
<td>DuPont</td>
<td>86</td>
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<tr>
<td>Irene B. Rosenfeld</td>
<td>Mondelēz International</td>
<td>89</td>
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<tr>
<td>Phebe Novakovic</td>
<td>General Dynamics</td>
<td>99</td>
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<tr>
<td>Carol Meyrowitz</td>
<td>The TJX Companies, Inc.</td>
<td>108</td>
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<td>Lynn Good</td>
<td>Duke Energy</td>
<td>123</td>
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<td>Ursula M. Burns</td>
<td>Xerox Corporation</td>
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<td>Sheri S. McCoy</td>
<td>Avon Products Inc.</td>
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<tr>
<td>Deanna M. Mulligan</td>
<td>Guardian Life Insurance Company of America</td>
<td>245</td>
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<tr>
<td>Kimberly S. Bowers</td>
<td>CST Brands</td>
<td>266</td>
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<tr>
<td>Debra L. Reed</td>
<td>Sempra Energy</td>
<td>267</td>
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<tr>
<td>Barbara Rentler</td>
<td>Ross Stores</td>
<td>277</td>
</tr>
<tr>
<td>Denise M. Morrison</td>
<td>Campbell Soup</td>
<td>315</td>
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<tr>
<td>Susan M. Cameron</td>
<td>Reynolds American</td>
<td>329</td>
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<tr>
<td>Heather Bresch</td>
<td>Mylan</td>
<td>377</td>
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<tr>
<td>Ilene S. Gordon</td>
<td>Ingredion</td>
<td>412</td>
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<tr>
<td>Jacqueline C. Hinman</td>
<td>CH2M Hill</td>
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<tr>
<td>Kathleen M. Mazzarella</td>
<td>Graybar Electric</td>
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<tr>
<td>Lisa Su</td>
<td>Advanced Micro Devices</td>
<td>474</td>
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<tr>
<td>Gracia C. Martore</td>
<td>Gannett</td>
<td>481</td>
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Source: http://en.wikipedia.org/

Growth

In most places women are still dominated by men. They lived in unhappy homes. In unorganised sectors of livelihood women are willfully exploited. They are in loss in every field – in terms of literacy, developmental participation and earnings. 40% of them are illiterate and large numbers of our school-going girls drop out at middle school for various reasons*(1). In India Female foeticide is on the rise and maternal mortality is the second highest in the world. There is too little or no access to health and sanitation for millions of Indian poor women. Thousands of women all over India walk miles to fetch water and firewood daily. They also have to attend to all the household chores – because that is not supposed to be a man’s work – ending up with no time and energy for self-development or enterprise. For the vast majority of women in India there is little to hope for. They are staring at a blank wall. The Economic Survey for 2003-04 estimated that in the total organised sector, there are 18.1% women employed. Even in the corporate sector, that swears by meritocracy, the track record of women participation is no better. According to CII survey on white-collar staff in 149 member companies across different sectors and regions the results were quite disturbing: these companies had only 6% women on their rolls on an average. This is highly unfortunate. Women show a great development in critical areas of health, literacy, self-employment schemes and saving mobilisation. To keep women outside these areas will halve their strength .The paradox of potential India needs leaders at all levels – both women and men – who are aware of the paradox of our country aiming to be an economic powerhouse. But unfortunately half of our potential leaders not even realise that fact.

Twenty-first century India wants those leaders who can explore new areas as well as helps other women for living their lives in better way and shape their own lives. We need leaders who will lead not from the power of their positions, but from the power that comes from living exemplary lives and who lead by their own example.

In 2003 Infosys Women Inclusivity Network was established to address specific needs for development, engagement, growth and retention of women by promoting an inclusive workplace.
Jindal stainless Ltd. introduces the programs like Market On wheel, Business Rural Hub etc. to empower the position of women in corporate sector. Mahila Griha Udhyog (Lijjat papads) started in a small way with a small group of women and today it is a Rs.300*(2) crore enterprise, and importantly it also provides a livelihood to a lot of men! SEWA (The Self Employed Women’s Association), shows a remarkable success since its inception in 1971. Its many initiatives include the SEWA bank which today has 50,000 depositors and a working capital of Rs.10 crores. Thanks to the extensive training programmes held by National Dairy Development Board (NDDB), there are over 2,400 all-women milk cooperatives are functioning in the country. It is only Self Help Groups have helped over 20 million poor households to gain access to formal banking system. For women working in a private company or a government organisation, there are ample opportunities to translate good intentions into good work.

**Challenges Ahead**

Despite of all these achievements women in India are still at back foot in development. Huge issues are there in their way. Female foeticide, rape cases, men ruled society etc. are some of them. Sex ratio in India is 943 over 1000 male.

There are only 14% women in IAS, 4.6% in IPS and only 9% in central government employment. In the corporate sector, among the 100 companies listed on BSE, there were only 59 women among the 1112 directors. 80% of tribal girls and 72% of SC girls dropped out of school before completing class X, in a scenario where only 30% of the girls enrolled in the schools in the first place. 40% of educated, urban women were subjected to domestic violence and the number was much more in rural areas. *(3) According to world bank's data there are 1 crore women missing in India. A 2010 McKinsey study shows that only 5 per cent of women are on company boards, or appointed as CEOs in India.

The biggest problem of our society is that their mind set is against growth of women over men. For example in politics women if women selected as head of panchayat or MP or MLA, still powers kept in the hands of the male member of her family. Indirectly the rule is governed by the male member. The whole problem is not just due to men but women herself is responsible for that upto an extent. she accepted the dominance of the husband and follow his orders as her. Usually, most families groom sons for achievements and daughters for harmonious relationships. As more women strive for change, we need leaders. We have a very progressive constitution and laws that protect our rights. But our track record is pathetic in enforcement. We need leaders who are aware of the tremendous possibilities of affirmative legal action and have stamina to make the law move. Whether it is Minimum Wages Act at construction sites or the enforcing the sexual harassment policy within a company, or using the powerful Right to Information Act, leaders need to make the legal system their strike force. Lack of education and opportunities force millions of women to work on the fields, construction sites or in occupations that hardly bring them a steady income scope.

**Solutions**

- Parents give right values to the children that both male and female are equal in rights.
- Proper education is to be provided to women and government should take some corrective actions regarding them.
- Knowledge regarding rights of women must be spread among villages as well as in urban areas.
- Self-employment must be encouraged among women.
- Society should help in gaining knowledge to the weaker section women.
- Special training programs can be started by the government.
- Special quota can be fixed in every sector for women.
CONCLUSION

Women empowerment in India is at its infant stage. Its growth is at very slow pace. There are still many hurdles in the success path. Girls drop out at middle school for various reasons. Female foeticide is on the rise and maternal mortality is the second highest in the world. Women are not weaker than men in any field but this fact has to be proved. Woman handles both home and outside activity along with her responsibility of children but never complains. Woman is a creator as mother, annpurna as a cook of the house, lakshmi as earning livelihood along with her husband and other male members of the house. She has power to distrust also if situation is like that. In short women are more powerful than men but today's need is to realise her power and to use this in right and better way. So that the real position of women is to be gained by her in our society.

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ABSTRACT

Globalization along with liberalization and Privatization is having its impact on the higher education sector. By introducing innovative forms of education, transnational corporations, are trying to vie the best and the brightest talents and thereby capture the global education market. India has had a long history of higher education. She has certain inherent advantages including internationally acclaimed Brain Power, exclusive use of English as a medium of instruction, large education sector etc. However, certain deficiencies mar her system, such as emphasis on rote learning, lack of basic infrastructure, paucity of funds, bureaucratic inertia etc. She seems to be sliding down on the competitiveness index. In this era she cannot remain a silent spectator. She has to work on her weaknesses and garner her strengths if she has to become a global brain power by 2020.

Keywords: Competitiveness; Competitive Index; Transnational Corporations; Indian Education; Brain Power

INTRODUCTION

Globalization, which led to transformation of world trade, communications and economic relations in the 20th century, seems to be having an impact on the education sector, since the beginning of the 21st century. Globalization can be considered as a process through which an increasing free flow of technology, finance, trade, knowledge, ideas, values, goods and services will lead to integration of economies and societies. In simple words, globalization refers to global competition.

From the view point of education, globalization leads to internationalization of higher education. This involves expansion of the institutional base as well as diversification of the system of delivery. New innovative forms of transnational education are providing increasingly greater opportunities for students to study and study outside their home country.

It is increasingly being realized that higher education is a lucrative service export sector and both institutions and countries are vying with each other to capture the best and brightest talent so as to compete successfully in the global market place.

Under these circumstances, India cannot remain a mere silent spectator. She has to substantially enhance the quality of education imparted so as to successfully compete in the new environment. While enrolment in higher education has increased six times, it has not been accompanied by improvement in quality. To imbibe and inculcate a competitive spirit it is essential to improve the quality of the highest standards in every sphere of work. The quality of education has become a major concern today.

This Paper briefly touches on the Research Methodology, makes an attempt to define the concept of competitiveness, discuss the criteria of competitiveness, examine India’s strengths and weaknesses, mention the challenges facing the Indian education sector and conclude with suggestions which could
help combat the weaknesses and pave the way for the emergence of India as a major Global Brain Power.

OBJECTIVES OF THE STUDY

The current study is based on the following objectives:

1. Globalization with its accompaniment Liberalization and Privatization has entered the field of education and the concept of competitiveness requires careful explanation;
2. India has one of the largest education systems in the world and the study tries to assess its competitiveness on the basis of strengths and weaknesses of the system;
3. India possesses an International Renowned Brain Power and this Paper aims at making suggestions which can improve her standing in the global market.

RESEARCH METHODOLOGY

The study being entirely descriptive in nature, extensive use of secondary data has been used. The descriptive data has been surfed from the net and obtained from books & articles written by eminent academicians and stalwarts in the field. The latest Global Competitiveness Report has been referred to get authentic information on India’s standing in the world both in general as well as with reference to higher education.

Concept of Competitiveness

Competitiveness, which is a highly accepted concept, is a vague and ambiguous one. One can associate it with a country’s share of the world market or its products. In this way competitiveness can be looked at from the share of a country’s higher education in international trade.

Michael Porter defines competitiveness in terms of productivity. The productivity is the rate of return or yield in terms of the factors of production. For example, labor productivity can be defined as the yield per worker. This is obtained by dividing the total output of a nation (adjusted for inflation) by the number of labor hours required to produce it.

Productivity determines the standard of living of a nation. The same is measured by the value of goods and services produced per unit of the nation’s resources. In order to compete successfully a nation has to improve the productivity of the existing industry by enhancing quality of the product, adding desirable features, improving the technology or by making production more efficient. It is very important for us to create the required capabilities so as to successfully compete in a more sophisticated environment.

Criteria of Competitiveness

The Geneva based World Economic Forum publishes an annual Competitiveness Report. It defines competitiveness as “The set of institutions, policies and factors that determine the level of productivity of a country.”

The Competitiveness Report lays down twelve pillars of competitiveness. They are:

Institutions: They form the framework within which there is interaction of individuals, firms and government and the organization of production in order to generate wealth and income of an economy. The quality of institutions has a strong bearing on competitiveness and growth. It influences investment decisions and the organization of production and plays a role in the distribution of benefits and bearing of costs of development strategies and policies.

Infrastructure: It is critical to ensuring efficient functioning of the economy. A well-developed transport and communication system is a pre requisite for the access of lesser developed countries to core economic activities and services.
Macroeconomic stability: The stability of macroeconomic environment is important for business and therefore is significant for the overall competitiveness of the country.

Health and Primary education: A healthy worker is vital to a country’s competitiveness and productivity. Poor health results in significant costs to business. In addition this pillar takes into account the quantity and quality of basic education received by the population which is increasingly important in today’s economy.

Higher Education and Training: Quality of higher education and training is crucial for economies that want to move up in the value chain beyond simple production processes and products. This pillar measures secondary and tertiary enrolment rates as well as the quality of education as evaluated by the business traders.

Goods Market efficiency: Healthy market competition from both domestic and foreign companies is important in driving market efficiency and thus business productivity by ensuring that the most efficient firms producing goods demanded by the market are those that thrive.

Labor Market: Efficiency and flexibility in labor market ensures that workers are allocated to their most efficient use in the economy and provided with incentives to put in their best efforts in jobs.

Financial Market Sophistication: An efficient financial system allocates the resources saved by a nation’s citizens as well as those entering the economy from abroad to their most productive uses.

Technology Readiness: This pillar measures the agility with which an economy can adopt existing technology to enhance the productivity of its industries with special emphasis on Information and Communication Technologies.

Market Size: The size of the market affects productivity as large firms allow markets to exploit economies of scale.

Business Sophistication: It concerns two inter-connected elements that is: the quality of individual firm’s operations and the quality of a country’s overall business networks.

Innovation: Innovation can emerge from both technological and non-technological knowledge. Technological breakthroughs have been one among the many productivity gains that our economies have historically experienced.

India’s Economic Competitiveness

The Global Competitiveness Report of 2013-14 shows that India’s Competitiveness is on a decline after its peak in 2009 ranking 49th in the world. Today India ranks 60th among 110 countries, with countries like Brazil who were below India in 2009 moving a head.

India ranking is low in terms of labor market efficiency; technological readiness; higher education and training; and global market efficiency, ranking 99th, 96th, 91st &85th respectively. India’s transport supply, Information and Communication technologies and energy infrastructure remains largely insufficient and ill adapted to the needs of the economy. Her low productivity could be largely attributed to poor public health and education levels.

As regards institutions, apparently there seems to be a lot of discontent among the business community about the lack of reforms and the inability of the government to implement the same. The situation has worsened in case of labor market efficiency with the most dismal problem being that of low participation of women in the work force. In fact barring the Arab world India has the lowest percentage of working women. This by itself speaks for the gender bias existing in India and education of women gathers immense importance as they play a major role in shaping the future society. On the macroeconomic front too India’s position has weakened with India ranking 110 in the world.

However, India does have her comparative areas of strength. She ranks 3, 19, 41 and 42 in terms of market size, financial market, innovation and business sophistication.
With the entry of Globalization, accompanied by Liberalization and Privatization in every field including higher education, India has to gear itself to meet the ongoing competition. We have to do our best to transform our threats into opportunities and introduce measures which would help enhance the competitiveness of higher education, both in the domestic as well as in the international market, so as to make our country an attractive destination for foreign students.

One can use the Factor Proportions Theory of International Trade to give a theoretical angle to the concept of competitiveness. The general equilibrium mathematical model was developed by Swedish Political Economist Eli Filip Heckscher, and his student at the Stockholm School of Economics Bertil Gothard Ohlin. Ohlin borrowed the ideas put forward by Eli Heckscher and published his work entitled’ Interregional and International Trade’ in 1933, which popularly is known as Heckscher Ohlin model of International Trade.

This theory is an improvement of the Ricardian or Classical theory of Comparative Cost Advantage. The classical theory states, that it is the differences in the comparative cost between countries that is the basis of trade. Heckscher Ohlin’s theory, goes a step further and states that the differences in the endowment of factors of production, leads to cost differences in trade. A labor abundant country will have cost advantage in labor intensive goods and a capital abundant country will have cost advantage in case of capital intensive goods. In order to gain from trade, a country will export that commodity, in which there is factor abundance.

Looking at the theory from the Indian higher education perspective, it is a well-known fact that we have abundance of qualified human resources. In fact the wealth of resources, puts India in an enviable position, as the quality of resources available is high. This leads to international demand for qualified Indians.

In the capacity of her being the second most populous country, human resources are abundant and can be considered in a way as a boon. Just as the Gulf is known for crude oil, South Africa for diamonds, India is globally acclaimed, for her easy availability of highly qualified and technically skilled English speaking Brain power. This is particularly so in case of the software sector. The need of the hour, therefore, is to export those products, which make extensive use of our manpower and thereby gain from trade.

**Strengths and Weaknesses of Indian System of Higher Education**

Like any other sector Indian higher education sector has both its positives as well as its negatives. Let us first dwell on her strengths before we take up the weaknesses.

**Strengths**

India’s areas of strengths in the education sector can be discussed as follows:

**Large Education Sector:** India’s education sector is the third largest in the world in terms of enrolment of students, next only to the USA and China and first in terms of the number of institutions;

**Long Teaching and Learning Experience:** India can boast of a long teaching and research experience. Universities of Kolkata, Chennai and Mumbai have a long history. University of Mumbai completed her Sesqui Cential (150th year) Celebrations in 2006; She has 3000 plus years of cultural evolution and a long tradition of training in abstract thinking and mathematical sciences. Experts from Arya Bhatta to S Ramanujan and C.V. Raman are the products of this tradition. Indians Rabindranath Tagore and CV Raman were the recipients of Noble Prizes in Literature and Physics as early as in 1913 and 1930 respectively.

**Extensive Use of English Language:** The process of globalization of knowledge and marketing of education has brought English language to the forefront. In keeping with the British influence, English in India is being exclusively used as a primary knowledge medium of higher education and research, and several Indian colleges and universities, in fact, are conducting several English language communication classes for the benefit of foreign students who are not familiar with the language.
Good Quality Institutions: India possesses some high quality institutions. This includes the IITs, the IIMs and a few other institutions. These departments and sectors though small in number form the basis of quality sector in higher education. Today India can pride herself in producing, in every field of knowledge, men and women who can be favorably compared with the best in the world.

India’s Prowess in Science and Technology: Our standing in science and technology is ahead of most developing countries and even some of the smaller advanced countries. Several courses and policy approaches are offered by India. Indian government which is federal in nature has included education in the concurrent list. Enough opportunities and facilities which are being provided make for a congenial environment.

India’s standing in the Information and Communication Technology Sector: India’s prowess in the IT sector is universally recognized. This has resulted in an international demand for Indian manpower. She has also in addition made noteworthy progress, in the fields of pharmaceuticals, biotechnology, space and nuclear energy. India though lagging behind is soon catching up with other countries that have moved ahead, because their system is based on solid foundation of scientific and technical education laid in the country decades ago;

Stable Government: Ever since the attainment of independence in 1947 India has had a stable democratic government with a sound political history. In fact India is the largest democracy in the world;

Large Market for education: One advantage of India’s teeming population is that she has a large market, catering to the big middle class having adequate purchasing power. Universities have been given the sanction to accommodate foreign students with preference being given to people of Indian origin. In all fields of education especially in case of the Professional Courses, a certain quota is reserved for non-resident Indians.

Entry of Foreign Institutions: With the introduction of economic reforms and the opening of the Indian economy in 1991 along with relaxation of laws, foreign investment is welcome in all sectors except those of strategic concern. This friendly foreign investment environment provides freedom of entry, location, investment etc. In view of the fact that foreign students constitute a big asset, India has simplified visa procedures for these students.

Application of Comparative Cost Theory of Trade: India has the advantage of comparative lower cost. Being endowed with rich abundance of both human and natural resources, India enjoys a comparative cost advantage vis-à-vis other countries of the world.

Largest stock of educated Man-power: India can be said to be self-reliant in man-power needs. She has the potential to produce one of the largest stocks of educated and skilled man-power and possesses the third largest reservoir of scientific and technical man-power.

Weaknesses

While these strengths give India competitive advantages, the system has several drawbacks. The signing of the GATS Accord and the establishment of WTO together with Liberalization, Privatization and Globalization - have exposed the negative elements found generally in our Higher Education system

Dualistic Nature of Indian Education: The education system, in India has acquired a dualistic character. There are wide differences in quality provided to different citizens of our country. While majority of children have to avail of poor quality educational programs, less than 25% of the population have the privilege of attending quality educational institutions.

Besides the quality imparted in most educational institutions is mediocre, even though there exist a few world class institutions like Indian Institutes of Technology (IITs) and Indian Institutes of Management (IIMs), which are renowned centers of excellence who can compete with the very best in the world.
**Outdated Syllabus:** Syllabus of Indian institutions is outdated and not comparable with international standards. The syllabi of several universities show academic backwardness. The subjects studied are neither job-oriented nor life-oriented. After completion of studies most of our students fall in the category of unemployable youth. Our institutions have been producing graduates and postgraduates who are unfit for society. Education has been brought to the level of a commodity, which can be bought and sold in Indian Colleges and Universities.

The University system of education in India has its own limitations. While the academic structure is rigid, the teaching and evaluation methods are outdated. Emphasis is laid on rote learning and cramming leaving little scope for innovation and creativity. Our universities are converted into manufacturing units producing students year after year.

**Poor Infrastructure:** Infrastructure in a majority of our institutions is very poor, with majority of our institutions characterized by overcrowded classrooms, lack of library facilities, and ill-equipped laboratories. The libraries and laboratories face financial constraints in the purchase of adequate books and equipments. Lack of steady supply of electric power may also act as a hindrance. Computer awareness and absence of computerization is a major deterrent in enhancement of quality of higher education.

**Massification of higher education:** India has an alarming number of Universities, Colleges and Students (in fact as already mentioned she ranks first in terms of number of institutions). This has led to severe resource crunch culminating in deterioration of the quality of education available to most Indian students. Almost all universities are struggling to find funds as state funds are gradually reducing. The financial crisis together with increasing demand from India’s teeming millions has resulted in overcrowding. This has been further aggravated by rigidities of India’s centralized education, bureaucracy, pressures from various regional, religious and caste based groups and growing corruption. The entire process leads to adverse repercussions on the system.

**Faculty Crunch:** The composition and qualification of faculty may be insufficient to ensure good quality teaching. This is a problem plaguing not only the institutions of general education but also those having the status of national importance. In the absence of accountability and fully qualified faculty it is difficult to correlate between teaching and research performance. Consequently there are few incentives to perform and more and more people from the younger generations are moving away from the teaching profession. A group of dedicated and able teachers, in lieu of, the jobs offered abroad and in the private sector, are reluctant to join the academic profession.

**Bureaucratic inertia:** Besides our education policies are largely determined by the ruling politicians and not by the academicians having Global Exposure. The existence of multiple controls and regulations exercised by Central and State Governments, statutory bodies (UGC, AICTE and others) in administration and by the local management affects the working of faculty administrators who have to provide teaching, coordinate examinations and grant degrees.

Privatization is connected to political linkages. We have witnessed the emergence of private institutions in the fields of engineering, medicine, management, computer and law. If private institutions of higher education are established with foreign recognition, it would have a desirable effect on the Indian higher education system. Importance must be given to merit, capability and right attitude rather than earning degree in the traditional way just for the sake of it.

**Brain Drain:** India has suffered from the problem of Brain Drain for decades. Every year graduates from India especially those in engineering, mathematics and other sciences leave India to pursue higher education abroad. This leaves India with talent shortage. It must be mentioned that the trend seems to be changing, though slowly, which is a good sign for India, auguring well for the future.

India has survived with a mediocre Higher Education system for decades. India today in the globalized world requires a superior quality system of higher education. She has managed to move ahead, so far with a large education population base and her moderately well trained graduates. But the competition...
is fierce, with other Asian countries in general and China in particular investing heavily in improving its higher education system.

Although India seems to have the competitive edge, in terms of higher education and skilled manpower particularly in the IT sector, she has failed in providing Universal Primary Education. Besides poor quality of education across different stages, comes in the way of the economy’s progress. In addition the persistence of rural-urban, male-female, inter and intra-regional disparities require immediate attention.

**Challenges for India:** As is generally believed India’s weaknesses outweigh her strengths. India educates just 10% of young people in Higher Education, as compared to over 50% in the developed countries and 15% in China. While some of the best Universities have some very good departments and centers and there are a small number of outstanding undergraduate colleges, at present our world-class institutions are limited to Indian Institutes of Management, Indian Institutes of Technology, and a few others like All India Institute of Medical Sciences and Tata Institute of Fundamental Research. In fact a very dismal fact is that none of our institutions rank among the first 100 in a recent survey conducted³.

The new educational environment holds both threats and opportunities for India. As far as threats are concerned, more and more students seem to be heading abroad especially to Australia, Britain and USA to pursue further studies. With the emergence of Reverse Brain Drain the trend hopefully will change in the right direction.

It has been increasingly pointed out that; some of the reputed institutions like IITs are feeling the crunch of world-class faculty members as they are lured by attractive offers from foreign universities, research institutes and multinational corporations. The result is the ending of Indian as losers in the global higher education games.

With growing international competition, it is essential to maintain professionalism on the part of management, administration and teaching faculty. One can define Professionalism as the use of knowledge and skills for providing specific services to society after obtaining licenses from a body of professionals who perform regulatory functions. This helps in ensuring quality. One major hurdle is that we still do not have any provision for licensing or registration in the field of education, for both the management and teaching faculty.

The liberalization of the Indian economy, with the introduction of economic reforms since 1991, is largely responsible for a large number of students seeking education abroad. Earlier only the elite few Indian families could afford higher education abroad. However, with the increase in the purchasing power of the average Indian and the increasing wealth of the upper class there has been an alarming rise in the number of students pursuing foreign education abroad.

Surveys have shown that while at the undergraduate levels Indian students were not forced to look outside the country, to find their desired course of study, the Postgraduate and higher level education seekers, owing to limited number of seats, back door entry and excess demand more attempts are forced to seek foreign education. In fact the demand for seats in India’s premiere (apex) institutions in highly competitive fields like management, engineering and medicine far exceeds the supply that is availability of seats.

Bearing in mind the wide availability of English medium courses in India, accompanied by our rich, cultural, historical and ecological resources and well-developed higher education infrastructure, India has the potential to become a more popular destination for foreign students. Apparently there seems to be a large untapped source of luring foreign students to gain from India’s rich Brain Power.

Having survived with mediocre Higher Education system for decades, India today has to improve her quality in the face of fierce competition from other Asian countries in general and China in particular by investing heavily in improving its higher education system.
India no doubt has the competitive edge in terms of higher education and skilled manpower particularly in the IT sector but she has failed in providing Universal Primary Education. Besides paradoxical education across different stages, comes in the way of the economy’s progress. In addition the persistence of rural-urban, male-female, inter and intra-regional disparities require immediate attention.

CONCLUSION

Higher education plays an important role in today’s economy and investment in higher education must be considered as a crucial contributor to the societal well-being. In the present century, higher education will be such that forces of change will characterize colleges and universities. It is only hoped, that reinvention of higher education will bring forth equal and affordable access to all. India having, as it does, possesses a small number of globally competitive children and she has to offer them enough opportunities so as to keep them back in our own country.

India’s education system has to be globally competitive. High quality capital is our competitive advantage. We have to nurture it and build it further to secure a better future. To be successfully competitive in the current global market, with the products and services, developing countries must expand higher education and associated training and provide access to the increasing proportion of workforce. No doubt the resources needed for such expansion will be enormous and limiting, at the time when India would like to provide access to additional millions of students in the coming few years.

The best option under the circumstances is reliance on new indigenous private providers or on other private resources. The rise of national private higher education as an effective supplement to the depleting public resources seems to be the best thing that happened to the developing countries.

Urgent reforms are needed if India has to move ahead in the emerging knowledge economy Education must be free from financial stringency, political intervention and bureaucracy. What is required urgently is educational reform.

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MULTINATIONAL COMPANIES IN INDIA - AN ANALYSIS

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ABSTRACT
In the present day world of Globalization, Multinational Companies have played an important role in the development of home countries where the MNCs are operating. Foreign direct investment by multinational companies involves much more than just transfer of capital as it brings with them technologies of production, managerial services and other business practices. Employment opportunities created by the MNCs have solved an important problem of unemployment which is an important characteristic of the underdeveloped as well as developing countries. With the shortage of savings for financing developmental projects, there is need to depend on foreign capital. Inviting and making ways for MNCs to operate in India will enhance the economic development of the country. Prime Minister Narendra Modi’s initiatives for ‘Make in India’ and ‘Skill India’ campaigns, inviting Global Companies to invest in India as well as efforts to simplify the Foreign Direct Investments regulations will certainly make India a favourite destination of MNCs.

Keywords: Multinational Companies (MNCs); Globalization; Foreign Direct Investment (FDI); Economic Development; Domestic Savings

INTRODUCTION
Multinational Companies (MNCs) are large companies that operate in several countries with their headquarters at a particular country. Multinational Companies as recently have gain more momentum in terms of investment and playing a greater role in countries’ development, it succeeded in having more attention and more focus.

The first Multinational Companies were established in the year 1920’s. Many more came up in the 1950’s and 1960’s as U.S. businesses expanded worldwide and Western Europe and Japan also recovered to become powerful industrial economies. The world wide spread of MNCs was a notable feature of 1950’s and 1960’s. This was partly because high import tariffs imposed by different governments forced MNCs to locate their manufacturing operations and become ‘domestic producers’ in as many countries as possible.

Multinational Companies are generally operated in the less developed or developing countries with their head office in the foreign developed countries. They have been playing a significant role in the economies of those countries where they are operating. As the two sides of a coin, operation of Multinational Companies has both the advantages as well as drawbacks to such countries.
Need for Multinational Companies

In underdeveloped countries like India domestic savings are not enough to ensure economic development. In such a case some external helps are required in the form of “foreign aid”. If we turn the pages of history relating to economic development, we find that every country had to rely on foreign aid for speeding up the economic growth. In the words of W.A. Lewis, “Nearly every developed state has had the assistance of foreign finance to supplement its own meager savings during the early stages of its development. England borrowed from Holland in the seventeenth and eighteenth centuries, and in turn came to lend to almost every other country in the world in the nineteenth and twentieth Centuries. The United States of America, now a rich country in the world borrowed heavily in the nineteenth century and is in turn called upon to become the major lender of the twentieth”

It is thus not the underdeveloped countries alone which need foreign capital for economic development but even the advanced countries of Europe had to seek external aid in the initial stages of their development.

If underdeveloped countries wants to see develop herself, it will have to import capital goods, technical know-how, spare parts and raw materials. One method of paying for such imports is through the stepping up of exports. The exports can be increased either by producing more or curtailing domestic consumption drastically. But underdeveloped countries have only limited productive capacity and as such it is not possible to increase exports substantially. Curtailment of consumption, on the other hand, involves a lot of sacrifice and it cannot be adopted with much success in democratic countries. Thus foreign assistance is the one form or the other which became important for speeding up the economic growth of a country.

Many MNCs have larger annual sales volumes than the entire GNPs of developing nations in which they operate. By 1980 the 20 largest MNCs had annual sales volume excess of $10 billion, while more than 200 others had sales in excess of $1 billion. The largest U.S. transnational (MNCs) like Exxon and General Motors, each sold over $60 billion in 1980; while Mobile, Texaco and Ford each had annual sales in excess of $30 billion.

In recent years there has been tremendous increase in the private foreign investment. In this connection, it is required to mention that foreign direct investment by multinational companies involves much more than just transfer of capital as it brings with them technologies of production, managerial services and other business practices.

In the past, investment by MNCs was mainly confined to extractive activities but of late manufacturing interests account for a greater share of their activities.

Benefits of MNCs to the Operating Countries

To Make Up the Deficiency of Domestic Savings: The domestic sources of capital formation in underdeveloped countries are inadequate to secure a growth rate of economies. These countries have not only small capital stock but their current rate of capital accumulation is very small ranging from 5 to 6 percent in advanced countries. Such a low rate of capital formation can hardly provide for a rapidly growing population which increases at the rate of 2 to 3 percent per annum. If they want to depend on themselves for economic development then they need to wait for a pretty long time. So they need to import foreign capitals to supplement domestic resources to quicken the pace of economic development.

To Solve the Problem of Unfavorable Balance of Payments: In the initial phase of economic development, developing countries have unfavorable balance of payments. They have to imports more in order to meet the growing requirements of development and at the same time their export decreases to meet the growing domestic requirements. These countries have to take recourse of deficit financing which results in inflationary pressures. The prices increase and the cost of production goes up. This
further reduces exports and increases imports. As a result the balance of payment condition is distorted.

**Technical Know-How:** The underdeveloped countries require not only foreign capital but also technical know-how and skill to ensure the proper use of capital.

Technological backwardness is responsible for high cost of production and low productivity of labor and capital.

MNC’s bring along with it modern technology and train people in new skills. The marginal productivity of labor increases which results in lower prices for consumers and higher real wages of labor. All this quicken the pace of economic development.

**Exploitation of Human and Natural Resources:** There is a problem of high population pressure in underdeveloped countries and there is also the familiar problem of disguised unemployment on a large scale.

To transfer the surplus labor from agriculture and provide them with work, foreign capital is needed to start secondary and tertiary industries.

The industrialization of the country and the creation of employment increase job opportunities solving the problem of unemployment.

**Risky Undertakings:** There is a great risk involved in the setting up of new undertakings. The shortage of capital, small extent of the market, absence of enterprising groups and underdeveloped infrastructure signify a high degree of risk in different fields like mining, oil exploitation, power, transport, etc.

MNCs will undertake such initial risk and when such businesses become successful the home enterprises feel inspired and try to collaborate with foreign enterprises without suffering initial losses.

It shows that foreign capital has a vital role to play in the economic development of underdeveloped countries.

**Stimulates Potential Savings:** There may be potential savings in the economy which may be available at a higher level of economic development. It is therefore essential that foreign capital be imported to speed up economic activities at first instance with the view of providing inspiration to the people and incentive to the home capitalist.

**India as an Attractive Destination of MNCs**

There are a number of reasons why the multinational companies are coming down to India. India has got a huge market. It has also got one of the fastest growing economies in the world. Besides, the policy of the government towards FDI has also played a major role in attracting the multinational companies in India.

For quite a long time, India had a restrictive policy in terms of foreign direct investment. As a result, there was lesser number of companies that showed interest in investment. As a result, there were a lesser number of companies that showed interest in investing in Indian market. However, the scenario changed during the financial liberalization of the country, especially after 1991.

Government, nowadays, makes continuous efforts to attract foreign investment by relaxing many of its policies. As a result, a number of multinational companies have shown interest in Indian market. ‘Make in India’ campaign of India’s Prime Minister Narendra Modi is an opportunity for all the MNCs all over the world to establish their businesses in India.

**Top MNCs Operating in India**

The country has got many MNCs operating at present. Following are names of some of the most famous multinational companies with their headquarters of operational branches in India:
IBM: IBM India Private Limited, a part of IBM has been operating from this country since the year 1992. This global company is known for invention and integration of software, hardware as well as services, which assist forward thinking institutions, enterprises and people, who build a smart planet. The net income of this company for the financial year 2010 was $14.8 billion with a net profit margin of 14.9 %. With innovative technology and solutions, this company is making a constant progress in India. With its presence in more than 200 cities, this company is making constant progress in global markets to maintain its leading position.

Microsoft: A subsidiary, named as Microsoft Corporation India Private Limited, of the U. S. (United States) based Microsoft Corporation, one of the software giant’s has got their headquarter in New Delhi. Starting its operation in the country from 1990, this company has got the following business units:

- Microsoft Corporation India (Pvt.) Limited (Marketing Division)
- Microsoft Global Services India
- Microsoft Global Technical Support Centre
- Microsoft India Development Center
- Microsoft IT
- Microsoft Research India

The net income of Microsoft Corporation grew from $14,569 million in 2009 to $18,760 million in 2010. Working in close association with all the stakeholders including the Government of India, the company is committed towards the development of the Indian software as well as IT industry.

Nokia Corporation: Nokia Corporation was started in the year 1865. Being one of the leading mobile companies in India, their net sales increased by 4 % in the last financial year with sales of EUR 42.4 billion as compared to 2009’s EUR 41 billion. Over the past few years, this company in India has been acquiring companies, which have got new and interesting competencies and technologies so as to enhance their ability of creating the mobile world. Besides new developments to fight against mineral conflicts, they are even to set up Bridge Centers in the country for supporting re-employment. Their first onsite for the installation of renewable power generation are already in place.

PepsiCo: PepsiCo Inc. entered the Indian market with the name of PepsiCo India from the year 1989. Within a short time span of 20 years, this company has emerged as one of the fast growing as well as largest beverage and food manufacturer. As per the annual report of the company in the last business year, the net revenue of PepsiCo grew by 33 %. By the year 2020, this food manufacturing company intends to triple their portfolio of enjoyable and wholesome offerings. The expansion of their Good-For-You portfolio is believed to be assisting the company in attaining the competitive advantage of the growing packaged nutrition market in the world.

Ranbaxy Laboratories Limited: Ranbaxy Laboratories Limited, one of the biggest pharmaceutical companies in India, started their business in the country from the year 1961. The company made its public appearance in 1973. Headquartered in this nation, this international, research based, integrated pharmaceutical company is the producer of a huge range of affordable cum quality medicines that are trusted by both patients and healthcare professionals all over the world. In the year 2010, the registered global sales of the company were US $ 1,868 Million. Successful development of business forms the key component of their trading strategy. Apart from overseas acquisitions, this company is making a continuous endeavor to enter the new global markets, which have got high potential.

Reebok International Limited: This global brand is a famous name in the field of sports as well as lifestyle products. Reebok International Limited, a subsidiary of Adidas AG, is based in USA and started its operation in 1890s. Apart from their alliance with CrossFit, Reebok tied up its partnership with Swizz Beatz.
Sony: Sony India is a part of the renowned brand name Sony Corporation, which started their business operation in the year 1946 in Japan. Established in India in November 1994, this company has captured one of the leading positions in the field of consumer electronics goods.

Tata Consultancy Services: Commonly known as TCS, this multinational company is a famous name in the field of IT services, Business Process Outsourcing (BPO) as well as business solutions. This company is a subsidiary of the Tata Group. The first center for software research was established in the country in 1981 in the city of Pune.

Vodafone: Vodafone Group Plc is an international telecommunication company, which has got its headquarter based in London in the United Kingdom. Earlier known as Vodafone Essar and Hutchison Essar, Vodafone India is among the largest operators of mobile networking in the country. The parent company Hutchison started its business in the year 1992 along with the Max Group, which was its business partner in India. Much later in 2011, Vodafone Group Plc decided to buy out mobile operating business of Essar Group, its partner.

Tata Motors Limited: The biggest automobile company in India, Tata Motors Limited, is among the leading commercial vehicles manufacturer in the country. They are one of the top 3 passenger vehicle manufacturers. Established in the year 1945, this company, a part of the famous Tata Group, has got its manufacturing units located in different parts of the nation.

Reasons to Encourage MNCs in India

There are certain advantages that the underdeveloped countries as well as the developing countries like India derive from the foreign MNCs that establish in India. They are as under:

1. Initiating a higher level of investment.
2. Reducing the technological gap
3. The natural resources are utilized in true sense.
4. The foreign exchange gap is reduced
5. Boosts up the basic economic structure.

SUGGESTIONS

Even though there are number of disadvantages by the home countries in allowing the operations of MNCs, it has numerous benefits also. Certain precautionary measures must be taken up by the home country to safeguard its interest. Rather than dispensing with MNCs, their activities should be regulated. Followings are some suggestions for the home countries where foreign MNCs are operating:

1. The investment from MNCs should be for specified periods.
2. The collaborations should be sought with the MNCs only in the selective areas.
3. The MNCs should help the host countries in the promotions of exports and the development of import-substitution industries.
4. The host countries should adopt a multi tax system so that the MNCs should not be able to evade taxes through transfer pricing or other methods.
5. There should be clear cut specification about the transfer of technology.
6. After a certain limit, there should be check on the repatriation of capital and remittance of profits by them to the country of origin.
7. The joint participation of the foreign and indigenous capital should be encouraged at the maximum.
CONCLUSION

In this world of Liberalization, Privatization and Globalization (LPG), it may not be possible to restrict the goods as well the foreign Multinational Companies, instead it is the time to invite these MNCs to establish in the home countries and to extract the maximum benefits from them to strengthen the countries’ economies along with the safeguarding of own interest.

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APPRECIATIVE INQUIRY: A WAY TO BRING ABOUT DESIRED FUTURE

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ABSTRACT

Human systems grow toward what they persistently ask questions about.”

- David Cooperrider and Diana Whitney

“All men and women are born, live suffer and die; what distinguishes us one from another is our dreams, whether they be dreams about worldly or unworldly things, and what we do to make them come about... We do not choose to be born. We do not choose our parents. We do not choose our historical epoch, the country of our birth, or the immediate circumstances of our upbringing. We do not, most of us, choose to die; nor do we choose the time and conditions of our death. But within this realm of choicelessness, we do choose how we live.”

-Joseph Epstein

Universities are crucibles of change towards holistic development. Institutional matrix complemented by a dynamic policy design and process in the domain of education is the prelude to the transformation that is required. Upholding these fine traditions and legacies that we need to build upon and use as catalysts for a more vigorous transformation are key to survival in future.

For the purpose of research School of Business Studies (SBS), Islamic University of Science and Technology (IUST), was engaged in appreciative inquiry into “what has been and is functioning in the system, in order to create better future”. Through our assumptions and choice of method we largely create the world we later discover. The paper discusses appreciative inquiry concept and then tries to find out the things that have been and are working at SBS which if further developed and nurtured in right direction can work wonders for the system under study.

The intended audience for this article includes organisational development scholars, students interested in the construct of meaningful work etc. Particularly students at SBS who can conduct further researches from time to time and find out the progress of the system with regard to this research.

Keywords: Appreciative Inquiry; Holistic Developmental Approach; Organizational Development; SWOT analysis

INTRODUCTION

In this paper an attempt has been made to carry out appreciative inquiry in the School of Business Studies(SBS), Islamic University of Science and Technology (IUST), Awantipora. Since IUST came into existence in the recent past, just eight years before, so we know that this organisation has a long
way to go. There are a lot of things that this university has to do in order to be ranked among the list of good universities in India in general and J&K in particular. The university should clearly focus more and more on quality to compete with best universities. Since it is quite evident that new organizations are prone to criticism and many obstacles come in the way of success, we have carried out this research with a special purpose to identify and help SBS focus on its strengths in order to make these strengths more stronger and gain edge in the existing competition among the universities of the state. Appreciative inquiry is an approach to seek what was and what is right in an organization, realize their strengths, rather than giving weightage to their weaknesses, in order to create a better future for it. The SBS should recognize its strengths through this research and find out ways how to make them stronger than before. So this paper revolves round searching what are the things that are actually working for SBS and what are the ways of making these things more productive than before.

In this paper we have taken students of MBA, of all batches since the inception, as our target population (universe). The reason being their maturity level and their awareness regarding the work culture and overall environment of IUST in general and SBS in particular. Out of these about 100 students have been selected randomly as respondents for our research. The period which has been identified as the most inspiring and successful ranges from year 2011-2014. The sole criterion for evaluating the best period was credit points (score of students during their academic years in their exams) obtained by students. Due to lack of data other variables which should have been included e.g. total number of placements, number of companies visiting to campus for recruitments etc for identification of this period, only credit points obtained by students was considered to be major parameter due to availability of data. This research considers their responses and opinions for bringing positive change in SBS and making it work better than before.

**LITERATURE REVIEW AND THE CONCEPT OF APPRECIATIVE INQUIRY**

May be because it is due to constant barrage of negative news about almost every aspect of our lives that we are awash in a sea of negativity. No matter what we do, how we do, criticism and complaints are bound to find their way to our doorsteps. May be this is because of the circumstances or surroundings or environment around us which has molded our personalities. The way we look into things always starts from evaluating it as a critic. So in a way we are on path of self-destruction what John Gardner puts as “war of parts against the whole”.

Traditionally what we have been doing is to look for problems and try to find solutions. This commitment to problem-solving view acts as a primary constraint on imagination and knowledge of world. Whatever, we look for is what we find. So we look for problems we will find some. Then of course we try to analyse the problem and find solutions. While implementing solutions what organization or a social group faces is resistance to change from its members. Afterwards, this organization or a social group has another thing to look for is how to tackle this problem. So all the mess needs to be dealt with proper planning and careful observations.

Instead of looking for a problem, why don’t we look for strengths within ourselves? Why don’t we create a conducive environment where, instead of looking for problems, we try to appreciate what is best in us. Try to identify strong points within the system which actually can be developed and which will help in distinguishing us from others. Why not make these strengths so strong that our systems need not to worry exclusively about problems. Involve everyone into consultation and take the blueprint of change from them. Identify the way to implement this change and then only look beyond. Make members agents of change and let them implement desired change, to bring about the desired future. This is where appreciative inquiry comes into play. A fundamental premise of which is that “organizations move toward what they study”.

Appreciative inquiry is an approach to seeking what is right in an organization in order to create a better future for it. Appreciative Inquiry (AI) was one of the first post-Lewinian Organization Development methods and probably catalyzed the subsequent proliferation of Dialogic OD methods (Bushe & Marshak, 2009) that operate outside the Lewinian paradigm. "Developed and extended since
the mid-1980s primarily by students and faculty of the Department of Organizational Behavior at Case Western Reserve University, AI revolutionized the field of organization development and was a precursor to the rise of positive organization studies and the strengths based movement in American management.”

“The traditional approach to change is to look for the problem, do a diagnosis, and find a solution. The primary focus is on what is wrong or broken; since we look for problems, we find them. By paying attention to problems, we emphasize and amplify them. …Appreciative Inquiry suggests that we look for what works in an organization. The tangible result of the inquiry process is a series of statements that describe where the organization wants to be, based on the high moments of where they have been. Because the statements are grounded in real experience and history, people know how to repeat their success.”

Appreciative Inquiry looks for those peak moments in organizational existence when the individuals felt most alive, effective, and potent. This paves the way for the treasure of positive energy hidden in the organization with which the organization can achieve new heights. So AI is focused on discovering what has been the source of support for the survival of an organization and how that source can be enriched again to take the organization to the desired state of success in future. Not only this, AI helps to highlight what is best in the people and organisations by providing them with a platform to express their experiences on their accomplishments and achievements.

Appreciative Inquiry (AI) shifted our attention from the world of organizational life as “a problem-to-be-solved” to the world brimming with innovation and a “universe-of-strengths.” Gallup’s landmark research study confirmed this basic principle: a person – or organization – will flourish only by amplifying their strengths, never by fixing weaknesses. Millions of managers and leaders around the world have shifted their attention to strengths.

Appreciative Inquiry is "grounded theory building" (Glaser and Strauss, 1967) in the sense that the operating framework and images of the future of the organization emerge from the stuff of the organizational life itself. Appreciative Inquiry seeks to discover what works in an organisation based on the assumption that solutions already reside within an organisation (McKenzie, 2003). Appreciative Inquiry brings with it the promise of “enhanced relationships and communications while building enthusiasm, ownership, commitment, and a sense of purpose which [is] shared both within and outside [an] organization” (Trosten-Bloom & Whitney, 1999, p. 114). Appreciative Inquiry has also been found to accelerate learning, stimulate creativity, and enhance people’s capacity for change (Trosten-Bloom & Whitney, 1999).

Appreciative Inquiry explains the power of generative images which help to create a world of hope and possibility. We can explain it in a simple manner that when someone is labelled as inefficient that person usually tends to behave accordingly because he believes that he can do nothing. So his image of being inefficient shatters his confidence and he fails to overcome this problem and finally ends up as failure in his life. On the contrary see the person who is praised and appreciated by everyone, tries to get more praises from others. As he has been labelled as a winner, he would go to any extent to keep that image maintained. This is the power of labelling and creating images about …persons, organisations, etc. So AI works towards developing positive images and getting positive results. When a person feels that others believe that I can do, he makes every attempt to go for it. And when someone knows it well that people have least faith in him, he finds it hard enough to crack it. To achieve a healthier and more creative environment, organization should switch to AI.

According to its proponents, Appreciative Inquiry is not just another organizational development tool or technique but “a philosophy and orientation to change that can fundamentally reshape the practice of organizational learning, design and development” (Watkins and Mohr, 2001, p. 21). As always this concept has also been criticized by critics. Critics have argued that over emphasis on strengths and ignoring balanced focus on what is functional and what is not working is more likely to generate invalid diagnosis. Which in turn will lead to another limitation where proponents argue that there is a
possibility that a focus on positive stories and experiences during the discovery phase will invalidate the negative organizational experiences of participants and repress potentially important and meaningful conversations that need to take place (Barge and Oliver, 2003; Egan and Lancaster, 2005; Fitzgerald, Oliver and Hoaxey, 2010; Miller, Fitzgerald, Murrell, Preston and Ambekar, 2005; Oliver, 2005a; Pratt, 2002; Reason, 2000).

Of course it is untrue that AI ignores problems, negative experiences, balanced approach etc. AI does address problems as well but from a different and constructive perspective. Rather than asking respondents directly about problems, they are asked what is going well within the system, why in their opinion is it going well and what they want more of it. This implicitly raises and addresses problems. In nutshell AI does not ignores negativities it just does not uses them as the basis of analysis or action.

OBJECTIVES

The study aims to accomplish the following objectives:

1. To shift the focus of newly established organizations from the traditional method of identifying problems and then fixing the same, to the comparatively modern method of identifying their strengths first, and then magnifying their impact by further strengthening of the so identified strengths than before.
2. To pave the way towards the hidden treasure of positive energies.
3. To help any organization to learn how appreciative inquiry can help it to reach to the desired state of prosperity in future.
4. To provide the readers with an insight about the appreciative inquiry so that they learn how it can be applicable on individual bases.

RESEARCH METHODOLOGY

The nature of research and the type of information needed demanded the type of method that could be used, without sacrificing the main aim of research, and help gather quality information.

Keeping in view the cost as well as time constraints questionnaire was used. The structure of the questionnaire was based on 4-D model, which has been discussed in next section. Data was collected from 100 randomly selected students. The variables in questionnaire included teaching methodology, responsiveness of administration, development of sense of belongingness among stakeholders, effects of conducting business clubs, interaction of students with experts etc.

ANALYSIS AND INTERPRETATION

We have used 4-D model for carrying out the appreciative inquiry in the school of business studies. 4-D model comprises four phases namely DISCOVER, DREAM, DESIGN AND DESTINY. Each of the four phases of the model are briefly described as:
Discover: In this phase, participants were interviewed about their own “best of” stories and inquiries were made about times the organization was most inspiring and successful. Telling and listening meaningful, personal stories is considered to be central for creating widespread engagement. People largely discuss about the sources that were and are actually contributing and responsible for the existence of the organisation. All those things which are indispensable for the life and working of the organisation are the point of focus. The goal is to create an open dialogue where information flows freely.

Dream: In this phase organizational members discussed how they want to see their organisation in future. The organisational members actually try to imagine their organisation in the best possible state in future. No boundaries should be set here in order to dream biggest dreams for the future course of organization. Here possibilities are endless.

Design: With a common dream in place a concrete model/proposal for the organization is developed. In this phase of Appreciative Inquiry, members start looking for the procedures, resources, and people of appropriate capacities in order to take the organisation from its existing state to the dreamt state. All the forces that can lead the organisation to the dreamt state were given a meaningful direction for improving the organisation.

Deliver: This phase is all about implementation. The things, which come to fore after thorough deliberation and research, need to be put in practice. We choose what an organization is going to move forward with. Destiny is not an end of process, but beginning to the new way an organization is going to conduct its affairs. So this phase is ultimately responsible for transforming dream into a reality.

This was a brief narration of the four phases of the 4-D model .We have taken into consideration this model while developing our questionnaire in order to elicit the information from our respondents in the same way as laid down by the model. This model has actually paved the way for us in gathering the information in a systematic way.

Rather than explaining the result of each variable individually only those variables will be mentioned who have been rated positively by the respondents. We have divided these variables into two categories namely Administrative Variables and Other Supportive/Auxiliary Variables. This categorization helped us in interpreting data in more efficient manner.

Administrative Variables
1. Timely declaration of results
2. Responsiveness
3. Appreciation
4. Sense of belongingness
5. Academic/overall curriculum
6. Team building
7. Holistic development oriented culture

Other Supportive/Auxiliary Variables
1. Infrastructure
2. Better selection techniques during admissions
3. Business clubs
4. Interactions with experts during industrial visits
5. Brainstorming sessions
6. Exposure to industry
Positive image creates positive futures. Only those variables which have been rated positive and functional will be discussed in this section. Seven variables included in administrative variables are the ones which were identified by the sample, as they were present in the system when its performance was better in comparison to other periods of time. Therefore, from administrative point of view these are the variables which SBS should focus on the most to help this school in achieving desired future. More well defined and functional administrative machinery of any system more successful it can be. Identifying variables and things responsible for success of an organization in past as well as present can also help in laying down development oriented corporate governance structure as well.

All of the above mentioned variables included were found to be present in the system and working as well. These variables showed the repetitive behaviors which advocated their importance in the system. These are the variables which the SBS should take seriously and try to capitalize them. These are the variables which must be taken on priority basis so that desired future can be attained by the school.

The positive core expands as it is affirmed and appreciated. Besides developing these variables other important factors which also need to be taken care of were grouped under second category labeled other supportive/auxiliary variables. This category consists of variables like business clubs, brainstorming sessions, exposure to industry etc.

The things we focus on, grow. In nutshell all of the above mentioned variables were identified by conducting appreciative inquiry in the school of business studies of Islamic University of Science and Technology. Develop an appreciative eye and try to find what we want and need more of in future. Optimistic ideology and holistic developmental behavior is the need of hour. In comparison to SWOT analysis this analysis proved fruitful and helped us to identify the things which are present and functioning in the system. If SWOT analysis would have been done certainly more disheartening results would have come to fore. Better for new organisations, which are prone to criticism during early stages of life cycle, to conduct appreciative inquiry. Stories are transformative, appreciative inquiry will help in constructing success stories about the organization. This process can help in boosting the morale of existing stakeholders which in turn will surely result in more efficiency and effectiveness of the system.

CONCLUSION

“Whatever you can do, or dream you can, begin it. Boldness has genius, power, and magic in it. Begin it now.”

-Johann Wolfgang von Goethe’s

The type of response this research produced was not expected, before starting this research. The responses of the sample/respondents was very encouraging. They were very much enthusiastic in replying to the questions posed to them in the form of questionnaire. Positive energy filled the environment as most of them were asking explanations about the questions, to answer as accurately as humanly possible.

Certain variables were identified by them which were present and working in the system. Majority of these show repetitive behavior and also responsible for wellbeing of the system presently. These variables if taken seriously by the management will definitely help SBS to create space for it within prestigious b-schools in the country generally and particularly in home state. As already mentioned appreciative inquiry does not completely ignores negativities but from a different and constructive perspective. This research also produced some results which were not encouraging which included the knowledge, experience, attitude of faculty as well as poor infrastructure. The findings of the research also suggest that the school also needs to improvise the methodologies of selecting the student.

With all this in view it can be said that a focus area has been identified which if taken seriously can certainly improvise the image of the school in years to come. Positive variables need to be strengthened more and low performing variables need to be improved with time.
It is very much advisable for all organisations, communities, individuals to conduct this type of research which has holistic developmental approach. This ideology can transform the whole culture of the organisations and communities. Develop an appreciative eye as positive images create positive futures. Big change begins small and change begins the moment we question. Shun all negativity and pessimism, adopt all positivity and optimism. This is what appreciative enquiry teaches us and this is the need of hour!

REFERENCES

HUMAN DEVELOPMENT IN MAHARASHTRA - WITH SPECIAL REFERENCE TO HIGHER EDUCATION

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Email: guptemj@rediffmail.com

ABSTRACT

In today’s modern world, investment in physical capital has to be accompanied by investment in human capital to pave the path for economic progress of a country. Human Development can be defined as a process which enlarges people’s choices and allows them to lead a long and healthy life, to be educated, to enjoy a decent standard of living and enjoy political freedom, other guaranteed human rights and various ingredients of self-respect. It has six pillars namely: equity, sustainability, productivity, empowerment, co-operation and security.

Maharashtra is a leading industrialized state in India contributing 23% of the country’s GDP. She has over 24 universities, including University of Mumbai which is largest in the world in terms of the number of graduates. The literacy level (83%) and Human Development Index of 0.72 is above the National average.

A number of problems characterize the economy of Maharashtra such as rural-urban divide; neglect of the marginalized class, multi body control, gender discrimination etc, which require immediate attention. If educational reforms, which would facilitate greater access, equity, faculty mobility and promotion of research, are introduced Maharashtra would be able to make her mark in the Global market.

Keywords: Human Development; Human Development Index; Higher Education

INTRODUCTION

Human development is now considered as an important criterion for the economic development of a country. Maharashtra, which ranks as the nation’s and the world’s second most populous entity, is one of the wealthiest and developed states in India, contributing 25% of the country’s industrial output and 23% of its GDP. In this Paper a humble effort has been made to look into the concept of human development, examine the course of human development in Maharashtra, discuss and critically examine the current education scene in Maharashtra and make suggestions for future progress.

OBJECTIVES OF THE STUDY

The study is based on the following objective:

1. To understand the concept of Human Development;
2. To examine human development and higher education in Maharashtra;
3. To briefly discuss the problems and suggest measures for the future.
The concept of Human Development was first laid out by Nobel Laureate Amartya Sen in 1998 and was further expanded by Martha Nussbaum, Sabina Alkire, Ingrid Robeyns and others. The United Nations Development Program has been defining human development as “the process of enlarging people’s choices” and allowing them to “lead a long and healthy life, to be educated, to enjoy a decent standard of living” as well as “political freedom, other guaranteed human rights and various ingredients of self-respect”.

Human development thus is much more than economic growth, as it is not only a means of enlarging choices but also one of building up capabilities. By investing in people we enable growth and empower people to pursue different life paths thus developing human capabilities. The most basic human capabilities for human development is to lead long and healthy lives, be knowledgeable, have access to resources and social services needed for a decent standard of living and be able to participate in the life of a community.

There are six pillars of Human Development viz:

1. Equity – idea of fairness for all;
2. Sustainability – we have a right to earn a living that can sustain our lives and have access to an even more even distribution of goods;
3. Productivity – full participation of people in the process of income generation;
4. Empowerment – freedom of the people to influence development and decisions that affect their lives;
5. Co-operation – participation and belonging to communities and groups as a means of mutual enrichment and a source of social meaning;
6. Security – offering people business opportunities freely and safely with confidence that will not suddenly disappear in the future.

There are various criteria of measuring Human Development and the most common is Human Development Index (HDI), which measures life-expectancy, literacy, education, standard of living world-wide.

**Human Development in Maharashtra**

The Human Development Report of Maharashtra keeps ‘inclusive growth as its central ideology. According to the Report, progress in Human Development needs to be assessed not by just improvement in the Human Development Index, but more by how well the poor, underprivileged and marginalized groups are included into the mainstream of the development process.

When one looks at the summary measure of HDI capturing three main dimensions, namely education, health and income the HDI for Maharashtra, in the period between 2001 and 2011 increased from 0.666 to 0.752. The HDI has been progressive for all districts, reflecting advancement in the literacy rate, school enrolment, mortality rates and income. What is heartening to note is that the backward regions (namely: Nandurbar, Gadchiroli, Jalna, Hingoli and Washim) have shown greater improvements in the HDI as compared to progressive districts as Mumbai, Pune, Thane and Kolhapur.

The inequality-adjusted Human Development Index, calculated for the state as per revised United Nations Development Program methodology, shows that in 2010-11 Maharashtra ranks higher than the all-India estimates and finds a high place among the various states.

**Education** - A large proportion of the population resides in the rural areas (54.7%). In the period between 1951 and 2011 the rate of urbanization has been high with Maharashtra accounting for 13.5% of India’s urban population. The literacy level in the state was 82.9% in 2011, which is well above the national average. However, inter-sectoral (that is rural-urban) and social group disparity exists.
Maharashtra reports have shown considerable progress in access to education, especially in terms of schooling infrastructure, with enrolments in the primary and upper primary levels almost universalized. Even though there has been inclusion of marginalized groups, female children and children from backward social groups in school participation, yet the quality of schooling is very bad.

**Higher Education in Maharashtra**

Maharashtra is a leading state having over 24 universities, which turnout more than 1.6 Lakh graduates every year. She has played a pioneering role in the development of Modern education in India. University of Mumbai is the largest in the world in terms of number of graduates and has 141 affiliated colleges.

The following data will throw more light on the higher education scene in Maharashtra.

**Table 1.** Types of Universities in Maharashtra (2011-12)

<table>
<thead>
<tr>
<th>TYPE</th>
<th>NUMBER</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central University</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Central Open University</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Institutions of National Importance</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>State Public Universities</td>
<td>18</td>
<td>40</td>
</tr>
<tr>
<td>State Open Universities</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>State Private Universities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Institutes established under State Legislative Acts</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government Deemed Universities</td>
<td>7</td>
<td>16</td>
</tr>
<tr>
<td>Private Deemed Universities</td>
<td>14</td>
<td>31</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grand Total</td>
<td>44</td>
<td></td>
</tr>
</tbody>
</table>

**Graph 1**

The above data and graph shows that almost half the number of universities are state universities. But what is heartening to note is that a sizeable number are private deemed universities. She also can take pride in the fact that she 7 Institutes of National Importance.

**Table 2.** Specialization Type of Universities (2011-12)

<table>
<thead>
<tr>
<th>Type</th>
<th>Number</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>20</td>
<td>45</td>
</tr>
<tr>
<td>Agriculture</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Fine Arts</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Fisheries 1 3
Journalism and Mass Communication -
Language 1 3
Law -
Medical 5 11
Oriental Training -
Rural Development -
Sanskrit 1 3
Sports/ Yoga/ Physical Education -
Technical 3 7
Veterinary and Animal Sciences -
Others 9 19
Grand Total 44

From above we can see that the share of general universities is 45%, while among the Professional streams Medical colleges constitute 11%.

Table 3. Number of Colleges per Lakh Population, Average Enrolment per College (2011-12)

<table>
<thead>
<tr>
<th>Number of colleges</th>
<th>Per lakh Population</th>
<th>Enrolment Per College</th>
</tr>
</thead>
<tbody>
<tr>
<td>4603</td>
<td>34</td>
<td>685</td>
</tr>
</tbody>
</table>

Graph 2

Graph 3
She has 4603 colleges, with 34 colleges per lakh of population. This is not that bad a figure as it implies that there is one college per 2941 students.

**Table 4. Enrolment at Various Levels (2011-12)**

<table>
<thead>
<tr>
<th>Level</th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>PhD</td>
<td>3926</td>
<td>1688</td>
</tr>
<tr>
<td>MPhil</td>
<td>1162</td>
<td>696</td>
</tr>
<tr>
<td>Post-Graduation</td>
<td>223824</td>
<td>155580</td>
</tr>
</tbody>
</table>

The total enrolment at the PG, MPhil and PhD level is 3, 79,404, 1858, and 5614 respectively, but a disheartening feature is the gender divide. The enrolment of females is only 50%, showing a bias towards males.

**Graph 4**

GRAND TOTAL 3, 79,406

The Gross enrolment Ratio in 2011-12 was 29.7 for males and 24.8 for females.

**Challenges for Higher Education in Maharashtra and Future Prospects**

The Government of Maharashtra constituted an Expert Committee on 23rd August 2011, to make recommendations which would increase the higher educational levels in the state. This was accompanied by the working of two other Committees. On the basis of the Recommendations one can make the following observations:

The challenge for Higher Education in Maharashtra is three fold, namely

1. Expansion, that is serving the exponential demand for access to higher education. We should maximize our human capital so that we can utilize the broad spectrum of talents and aspirations of the youth;
2. Access must be provided to all irrespective of caste, class, creed, religion, or income and not just to a select few;
3. Excellence, we should strive to achieve the utmost quality without compromising in any way.

This requires the following ingredients namely:

1. Role of Research, wherein an university campus should be one that would nurture education and research activities that are in keeping with the dynamics of the neighboring societies and industry. In addition they should provide support and guidance to them;
2. As mentioned earlier there are wide disparities in the distribution of equal access to all sections of society. The need of the hour is greater uniformity;

3. Information and Communication Technology plays an important role in a country’s progress. A number of problems plague India such as poverty, illiteracy, language barriers and health issues. The ICT application has to be encouraged in the field of education. If India does not tackle the above mentioned problems, then ICT Revolution will only remain a dream, which instead of propelling the economy would further marginalize the disadvantaged and downtrodden sections of society.

4. Enhancing Global Competitiveness - Globalization and its accompaniment Liberalization and Privatization has brought education to the forefront, with universities vying with each other to lure the best talent. Innovations would play a key role in bid for global competitiveness. There is urgent need for more Research Parks and up gradation of universities.

5. Unemployability of Indian Youth - Year after year India produces more and more graduates. These newly educated youth, particularly in case of Professional fields, only have ‘Book Knowledge’ which is devoid of any Practical Skills. They are therefore unemployable. This calls for greater skill development which could take the form of linking education to livelihood assurance for every student;

6. Faculty Crunch - Most of the high quality educational institutions are devoid of adequate competent and qualified faculty. Measures should be taken to make this Profession more lucrative and one way of looking at things would be to foster mobility of faculty to other collaborating institutions for an extended period;

7. Deregulation of our institutions - One major deficiency in the Indian system of higher education is too much political inertia and bureaucratic control. Multiple public bodies look after the working of these institutions. This could hamper their progress. Therefore there is need for greater autonomous governance under government supervision.

CONCLUSION

The above study shows that inspite of progress, there still exist gaps in terms of human development. Education is one of the most important pillars of human development. In spite of quantitative expansion, qualitative improvement in education still remains a challenge for the state which can be enhanced by providing improved teacher training and support. Maharashtra has the advantage of being one of the richest states, in India having a long tradition of education, with Pune as her education Capital. She has been the birth place of educationists like Lokmanya Tilak and Savitribai Phule.

Several problems plague her system such as rural-urban divide, neglect of the marginalized class, gender bias, multiple body control etc. We have to first tackle these problems, as also introduce reforms in the form of empowerment of faculty, granting of greater autonomy to educational institutions, removing disparities and encouraging innovation and culture if we have to make a mark in this highly competitive intellectual world.

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ROLE OF SHG AND BANK LINKAGES IN ACHIEVING FINANCIAL INCLUSION IN WEST BENGAL

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ABSTRACT

This paper provides a review of the recent literature on microfinance in India and critical assessment of its effectiveness and it also examines the performance of West Bengal. Micro-finance approach can be considered as one of the alternative solutions to provide financial inclusion to poor section of the society. Micro-finance through Self-Help Group Bank Linkage model can provide sustainable mechanism to meet the unmet financial needs of the poor without having access to banking facility. Here we have examined the extent of financial inclusion by Self-Help Group Bank Linkage programme in West Bengal. Further, using cross sectional regression technique this study also examines the role of Self Help Group Bank Linkage model, banking density, literacy rate and level of economic development in achieving financial inclusion across the districts of West Bengal.

Keywords: Microfinance; Financial Inclusion; Micro Finance; Development

INTRODUCTION

Inclusive growth is necessary for sustainable development and equitable distribution of wealth and prosperity. In the recent past, the focus of economic policy in India has shifted to issues of equitable growth. Achieving inclusive growth is the biggest challenge in a country like India. This implies that the economy should not only maintain the tempo of growth but also spread the benefits of growth to all sections of the country especially to the vulnerable and so far deprived under-privileged section of the society.

Financial inclusion is the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable Groups such as weaker sections and low income groups at an affordable cost. Financial inclusion also facilitates in efficient allocation of resources and enables the economy to maximize welfare by reducing the spread of informal source of avenues. A large number of earlier literature suggest that development of the financial sector and better access to financial services are imperatives for facilitating economic growth with equity (World Bank, 2008). Achieving financial inclusion through formal banking system is a cumbersome task. Unavailability of adequate financial services like credit, insurances, and remittances to majority population at an affordable cost is a major roadblock for the growth of financial sectors. In this context, Micro-finance approach can be considered as an alternative solution to provide financial services to common section of the society. Microfinance consisting of micro credit, micro savings and micro insurance, is regarded as an important tool to reduce risk, poverty and vulnerability of common people. Micro-finance through self
help group bank linkage model can provide sustainable mechanism to meet the unmet financial needs of un-banked poor.

LITERATURE REVIEW

A few empirical studies on the role of SHG bank linkage model also revealed its contribution in achieving financial inclusion as a necessary criterion of inclusive growth in India. Sanghwan (2008) studied the extent financial inclusion across various states. He also tried to examine the role of SHG bank linkage programme in achieving financial inclusion and made an optimistic note on this role this programme. He also tried to examine the role of other factors of financial inclusion like banking density and financial literacy vis-à-vis per capita income.

Several studies have demonstrated the success stories of micro lending, including impact assessments from cross country experiences and accepted models like ‘Grameen Bank’ model of Bangladesh. The large scale success of self help groups (SHGs) has proved the ability of poor to save. Consequently there are significant opportunities to make an extensive as well as intensive growth of the range of financial services (credit, savings, insurance and money transfer) (Kapoor, 2007). That the importance of financial services, especially savings, allows rural people to reallocate their expenditures across time has been conceptualized by Rutherford (2000) using three different conceptual approaches namely ‘saving up’, saving down’ and ‘saving through’. Tripathi and Sharma (2007) evaluated the impact of micro credit through SHG Bank Linkage on the financial behaviour of the rural poor in Raibareli district of Uttar Pradesh. The study showed a marked improvement in saving and credit usage by SHG members. A gradual shift was observed with respect to usage of loans, i.e. shift from consumption loans to production loans. Proportionate interest burden of the borrowers were considerably reduced as a result of a notable increase in the income and asset base of SHG members. A study was carried out among 240 respondents in four villages in Davangere district of Karnataka State to assess the relative impact of SHG bank linkage programme on financial inclusion [Rangappa et.al, 2008]. But it has also been observed that in all the existing efforts the focus has been on delivering credit only - without minimum necessary importance to other financial services subservient to the term micro finance (Agarwal, 2008).

Studies on microfinance, in general, have encompassed the impact assessment of microfinance - measuring the resulting economic and social empowerment of the beneficiaries but there are rarely few which speak about the utilization of financial services in detail. Again in West Bengal being one of the contender states for the highest place in population density over the past several decades and being a state which has a peculiarity vis-à-vis many other states for sheltering millions of refugees for partition and decay of industries. Being a state on the border of Bangladesh, this state has also a considerable history in the progress of SHGs. But no notable study can be found till now on the above-mentioned appraisal of the utilization of financial services in this state. The present study is such an attempt to fulfill this research gap that looks into the contribution of microfinance programmes in facilitating financial inclusion and their utilization in achieving the inclusive growth in West Bengal.

OBJECTIVES OF THE STUDY

The following are the major objectives of the present study:-

1. To study and depict the status of financial inclusion in the state of West Bengal.
2. To study the rationale for financial inclusion and primary determinants of financial inclusion in West Bengal.
3. To study in what ways micro financing institution like SHGs are linked with banks or other financial institutions.
4. To study the impact of different variables in explaining financial inclusion.
METHODOLOGY AND DATABASE

This study is exploratory in nature. It would rely mainly on data published by the government. To adopt cross-sectional regression technique to examine the role of self help group bank linkage model, banking density, financial literacy, and level of economic development in achieving financial inclusion for West Bengal for the year 2009-10, for all the districts of West Bengal.

Financial Inclusion in West Bengal: An Overview

As per 2011 Census, West Bengal has a total population of 9.13 crore out of which around 68.11 percent are rural. The number of account per branch in the state has increased from 5046 in 1980-81 to 9866 in 2009-10. However out of 18 districts in the state 5 districts are above the average. The number of accounts per 100 adult persons has also increased from 40 to 71 in the state during the period. Here also only 5 districts are above the average. Further, number of adult population per branch has decreased from 12697 to 11665 during the same period, which indicates that number of branches of financial institutions have increased remarkably during this period. The state has already identified all the districts for 100 per cent financial inclusion, which means every household should have got at least one bank account. Several empirical studies (Adhhikary and Baghi, 2010, 2011) conducted in West Bengal have shown that SHGs created a smooth path of financial inclusion for the rural poor.

Measuring financial inclusion in a developing country like India is different from other developed countries. Financial inclusion can be measured in two ways. One is inclusion in the payments system i.e. having access to a bank account. The second type of inclusion is the inclination towards formal credit markets, thus requiring the excluded to approach informal and exploitative markets.

Source: http://www.rbidocs.rbi.org.in

Figure 1. Financial inclusion in terms of total number of bank accounts per 1000 adults across various districts of West Bengal for the year 2009-10.

This figure (Fig. 1) depicts spread of financial inclusion across various districts.

Progress of SHG linkage programme in West Bengal

An impressive 4787 bank branches (including 2995 PACS) participate in SBL programme in West Bengal covering 18 co-operative bank(17 DCCBs and WBSCB), 3 RRBs and 16 commercial banks. (SLBC as on 30th November 2008). The partners under SHG-Bank Linkage Programme include NGOs, DCCBs (including PACS) RRBs, CBs, Farmers’ Clubs (FCs) and Individual Rural Volunteers (IRVs).
Figure 2. No. of SGHs performing financial activities – District wise

**Model Specifications**

Financial inclusion in an economy is determined by multiple factors. Financial inclusion can be measured both from saving as well as credit aspects of financial inclusion. However, the present study attempts to measure the financial inclusion from credit widening and credit deepening aspects of financial inclusion. It also intends to study the role of various determinants of financial inclusion for 19 districts for the year 2009-10. This study is based on secondary data from different source like NABARD, SLBC, RBI etc. Here there are four independent variables in the model. Number of credit accounts (C_w) and number of credit disbursed (C_d) per 1000 adult populations has been taken as two dependent variables.

Model: \[ C_w = \alpha_1 + \alpha_2 X_2 + \alpha_3 X_3 + \alpha_4 X_4 + \alpha_5 X_5 + \mu_1 \] \[ C_d = \beta_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \mu_2 \]

Where \( X_2 \) = Per Capita income  
\( X_3 \) = Basic literacy  
\( X_4 \) = Branch density  
\( X_5 \) = No. of SHG groups having economic activity and having access to credit  
\( \alpha_1, \beta_1 \) are intercept; \( \alpha_2, \alpha_3, \alpha_4, \alpha_5, \beta_2, \beta_3, \beta_4, \beta_5 \) Co-efficient  
\( \mu_1, \mu_2 \) are Disturbances terms

**Empirical Results**

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Cd</th>
<th>X2</th>
<th>X3</th>
<th>X4</th>
<th>X5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.963**</td>
<td>.445</td>
<td>-.685**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.085</td>
<td>.003</td>
<td>.883</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>X2</td>
<td>Pearson Correlation</td>
<td>.963**</td>
<td>1</td>
<td>.407</td>
<td>-.626**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.093</td>
<td>.010</td>
<td>.581</td>
</tr>
</tbody>
</table>
The correlation result for Cd with the other independent variables shows that there is positive relation to the No. of credit disbursed with per capita income, basic literacy and with the SHGs having economic activities. But shows a negative relation with the branch density, which clearly expresses that as branch density, i.e. no. of branches per 1000 population, increases the total no. of credit disbursed per branch decreases. The correlation result for Cw with the other independent variables also shows the same explanation as with the Cd. i.e. no. of credit accounts per 1000 population is positively related with PCI, basic literacy and SHGs with economic activities, and has a negative relation with branch density. As no of branch per 1000 population increases total amount of credit disbursed also falls by some amount than before. One interesting result of this correlation analysis is that there is a greater impact of Cw, number of credit accounts, on SHGs with economic activities. This directly indicates a greater financial inclusion in the districts of West Bengal. Table presents the zero order correlation matrix to test the problem of multicollinearity problem in the model.

Source: Authors’ calculation

Note: **. Correlation is sign at the 0.01 level (2-tailed); *. Correlation is sig. at the 0.05 level (2-tailed)

Source: Authors’ calculation
From the ANOVA table of the analyzed variables we can predict that the regression result will correctly predict the outcome. Look at the “Regression” row and go to the Sig. column. This indicates the statistical significance of the regression model that was applied. Here, \( p < 0.0005 \), which is less than 0.05, and indicates that, overall, the model applied can statistically significantly predict the outcome variable.

**Regression Results**

The objective of the study is to examine the role of SHG bank linkage model in achieving financial inclusion across various districts. The empirical results of two regression equation have been mentioned in the following table.

The \( R^2 \) for equation 1, is 91.5%. There exists a positive relationship between Credit Widening (\( Cw \)) with all the independent variables. This clearly describes that higher economic development, higher rate of literacy and an effective SHG bank linkage programme facilitates higher financial inclusion across various districts. The inverse relationship between \( C_w \) and \( X_4 \) (population per branch) describes larger expansion of branches lead to larger financial inclusion, which is where the variances along the line of best fit remain similar as we move along the line.

In case of equation 2, \( R^2 \) is 93.2%. This explains that 93.2% of variation in inclusion in terms of financial deepening can be explained by the selected exogenous variables. The amount of loan disbursed per 1000 adult persons was taken as the measure of financial deepening. There exists a positive relationship between Financial Deepening with per Capita Income, literacy and an effective SHG bank linkage programme. At a 5% level of significance, both per capita income (\( X_2 \)) and SHG variables (\( X_5 \)) are found to be significantly affecting the amount of Financial I Inclusion in terms of Financial Deepening.

**Table 4. Regression Result**

<table>
<thead>
<tr>
<th>Dependent variables</th>
<th>No. of Credit account per 1000 Adult population (( C_w ))</th>
<th>Amount of loan Disbursed per 1000 adult population (( C_d ))</th>
</tr>
</thead>
<tbody>
<tr>
<td>( X_5 )</td>
<td>4.779</td>
<td>0.042</td>
</tr>
<tr>
<td>( X_1 )</td>
<td>54.324</td>
<td>0.002</td>
</tr>
<tr>
<td>( X_4 )</td>
<td>0.605</td>
<td>-0.084</td>
</tr>
</tbody>
</table>
LIMITATIONS OF THE STUDY

The present study can be extended over a period of time to observe the trend in the change of Credit wideness and the credit disbursement of the SHGs along with the linking banks. This will show the ways of achieving complete financial inclusion in west Bengal through microfinance. The rural Bengal has a very little exposure to banking sector, even through microfinance. So the analysis can be extended separately for the rural areas. There are also some other factors affecting intensity and incidence of credit like the agricultural production, environment, natural calamities, government policies etc. some are exogenous while some are endogenous. So a different model incorporating these variables can be presented to analyze the issue of microfinance.

CONCLUSION

The present paper attempted to study the impact of Self Help group bank linkage programme in achieving financial inclusion across 18 districts for the period 2009-10. The multiple regression analysis method exhibited a positive and significant impact of Self Help Group bank linkage programme on financial inclusion in terms of credit deepening, i.e. no. of credit disbursed. No. of credit accounts also exhibits a positive relation with the relevant variables. PCI, Literacy Rate becoming the two major impact variables along with X5, i.e. the no. SHGs performing basic economic activities for the less privileged section of the society. The study reveals that economic development plays a significant role in financial inclusion in West Bengal. The general inverse relation for both the indicators of financial inclusion, Cw and Cd with X4, i.e. the branch density is negative. This is one of the primary indication of financial inclusion in the districts of West Bengal. The empirical analysis also revealed a positive impact of economic development and literacy on financial inclusion whereas branch density (population per branch) exhibited as inverse relationship with financial inclusion. Though in spite of the increased spread of formal banking network in the recent past, access to basic financial services are still beyond the reach of large sections of society. SHG bank linkage model exhibits the potential to provide an alternative mechanism to extend financial services to large unbanked sections of this state.

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ABSTRACT
Scholars and practitioners are struggling against the devil of corruption. There are many approaches which have been found out by many. For government sponsored programs and projects it is a very crucial issue to find out, how far the benefits of the scheme is reached to the targeted mass. It is seen in last few years that community participation is being increased at all level, right from the planning to measuring the fruits of development. It is assumed that the people who benefit from the program, may have better incentives to keep an eye on it. Indian government has generated this new mechanism - Social audit, for many of its recent programs. A Social audit is a process in which the people work with the government to monitor and evaluate the planning and implementation of a scheme. The joint participation of government and community may reduce the level and degree of corruption by creating an atmosphere amongst the beneficiaries and may raise the accountability on the part of the implementers.

Keywords: Audit; Accountability; Community Participation; Social Performance

INTRODUCTION
Governments are facing an ever-growing demand to be more accountable and socially responsible and the community is becoming more assertive about its right to be informed and to influence governments’ decision-making processes. Faced with these vociferous demands, the executive and the legislature are looking for new ways to evaluate their performance. Civil society organisations are also undertaking "Social Audits" to monitor and verify the social performance claims of the organisations and institutions. Social Audit is a tool through which government departments can plan, manage and measure non-financial activities and monitor both internal and external consequences of the departments’ social and commercial operations. Social Audit gives an understanding of the administrative system from the perspective of the vast majority of people in the society for whom the very institutional/administrative system is being promoted and legitimised. Social Audit of administration means understanding the administrative system and its internal dynamics from the angle of what they mean for the vast majority of the people, who are not essentially a part of the State or its machinery or the ruling class of the day, for whom they are meant to work.

Social Audit is an independent evaluation of the performance of an organisation as it relates to the attainment of its social goals. It is an instrument of social accountability of an organisation. In other words, Social Audit may be defined as an in-depth scrutiny and analysis of the working of any public utility vis-a-vis its social relevance. Social Auditing is a process that enables an organisation to assess and demonstrate its social, economic and environmental benefits. It provides an assessment of the impact of an organisation's nonfinancial objectives through systematic and regular monitoring based on the views of its stakeholders.

If India is a democratic country and People are masters and Governments exist to serve the people then Social Audit of all development programs need be welcome.
What is Social Audit?

Social audit is a process by which an attempt is made to find out whether the benefits of the project/activities reach the people for whom it is meant. It is a democratic process in which all stakeholders involved in a particular project takes part. Social audit is not only an audit of expenses or decisions but also covers the issues of equity and quality in programme implementation. It is a verification of Government records with people and the works/projects executed at the field level in great detail.

"Social Audit is a process in which, details of the resource, both financial and non-financial, used by public agencies for development initiatives are shared with the people, often through a public platform. Social Audits allow people to enforce accountability and transparency, providing the ultimate users an opportunity to scrutinize development initiatives.”

Social Audit is often misinterpreted as another form of audit to determine the accuracy of financial or statistical statements or reports and the fairness of the facts they present.

<table>
<thead>
<tr>
<th>Financial audit is geared towards verification of reliability and integrity of financial information.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Operation audit looks at compliance with policies, plan procedures, laws, regulations, established objectives and efficient use of resources.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Social Audit examines performance of a department/programme vis-à-vis its stated core values in the light of community values and the distribution of benefits among different social groups reached through good governance principles.</th>
</tr>
</thead>
</table>

In general, Social Audit refers to a process for measuring, understanding and improving the social performance of an activity of an organisation. Social Audit adds another dimension of key performance measurements in creating social wealth in the form of useful networks and administration/accountable and transparent to the stakeholders. Creating social wealth is one of the key contributions of Social Audit. Thus, Social Audit strengthens the legitimacy of the state, as well as trust between the state and the civil society.

What does Social Auditing Involve?

The social auditing process requires an intermittent but clear time commitment from a key person within the organisation. This social auditor liaises with others in the organisation and designs, coordinates, analyses and documents the information collected during the process.

Social auditing information is collected through research methods that include social bookkeeping, surveys and case studies. The objectives of the organisation are the starting point from which indicators of impact are determined, stakeholders identified and research tools designed in detail.

The collection of information is an on-going process, often done in 12-month cycles and resulting in the organisation establishing social bookkeeping and the preparation of an annual social audit document/report.

Experience has shown that it is important to provide training to the social auditor as well as mentoring during the first few years. If well facilitated, social auditors from different organisations can become self-supporting for subsequent years.
Social Audit Methodology

Social auditing requires the involvement of stakeholders. This may include employees, clients, volunteers, funders, contractors, suppliers and local residents interested in the organisation. Stakeholders are defined as those persons or organisations who have an interest in, or who have invested resources in, the organisation.

Social Auditing is again distinct from evaluation in that it is an internally generated process whereby the organisation itself shapes the Social Audit process according to its stated objectives. In particular, it aims to involve all stakeholders in the process. It measures social performance in order to achieve improvement as well as to report accurately on what has been done and that is why Social Audit is proposed as a supplement to conventional audit to help Government departments/public agencies to understand and improve their performance as perceived by the stakeholders. Social Audit is to be done at different levels of the government and the civil society. Social Audit is an ongoing process, often done in 12-month cycles that result in the preparation of annual Social Audit document or report of an organisation.

Steps in Social Audit in Local Bodies/PRIs

1. Clarity of purpose and goal of the local elected body.

2. Identify stakeholders with a focus on their specific roles and duties. Social auditing aims to ensure a say for all stakeholders. It is particularly important that marginalized social groups, which are normally excluded, have a say on local development issues and activities and have their views on the actual performance of local elected bodies.

3. Definition of performance indicators which must be understood and accepted by all. Indicator data must be collected by stakeholders on a regular basis.

4. Regular meetings to review and discuss data/information on performance indicators.

5. Follow-up of social audit meeting with the panchayat body reviewing stakeholders’ actions, activities and viewpoints, making commitments on changes and agreeing on future action as recommended by the stakeholders.

6. Establishment of a group of trusted local people including elderly people, teachers and others who are committed and independent, to be involved in the verification and to judge if the decisions based upon social audit have been implemented.

7. The findings of the social audit should be shared with all local stakeholders. This encourages transparency and accountability. A report of the social audit meeting should be distributed for Gram Panchayat auditing. In addition, key decisions should be written on walls and boards and communicated orally.

Key Factors for Successful Social Audit

- Level of information shared with and involvement of stakeholders, particularly of the rural poor, women, and other marginalized sections.

- Commitment, seriousness and clear responsibilities for follow-up actions by elected members of the Gram Panchayat.

- Organization of a mass campaign to increase public awareness about the meaning, scope, purpose and objectives of social audit.

- Establishment of a team of social audit experts in each district who are responsible for training social audit committee members (stakeholders). Also welcome the involvement of key facilitators in the process.
Implementation of training programmes on social auditing methods - conducting and preparing social audit reports, and presentation at Gram Sabha meetings.

Benefits of Social Audit

Focus on outputs in social audit process, the directness of its inquisitions and the instantaneous interface and interlocution it provides among the beneficiaries and stakeholders of social sector programmes, has its unique strengths. Social audit provides an opportunity to plug a long felt gap in the audit process and techniques used by different departments. It provides the strongest and irrefutable direct evidence for inputs, processes, financial and physical reporting, compliance, physical verification, assurance against misuse, fraud and misappropriation, and utilisation of resources and assets. In addition, social audits also provide a forum for strengthening the democratic process in governance and grievance redressal. Social audit provides the most important link between oral and documentary evidence and offers a means of securing accountability of the managers of public sector programmes and renders the monitoring and appraisal mechanism multi perspective and transparent. Thus, Social Audit makes possible:

- Know what is happening
- Understand what people think and want
- Strengthen loyalty / commitment
- Enhance decision-making and encourages local democracy.
- Trains and encourages the community on participatory local planning.
- Benefits disadvantaged groups, promotes their collective decision making and sharing responsibilities
- Develops human resources and social capital
- Improve overall performance

Limitations of Social Audit

- Reporting organization can deliberately limit audit scope in order to avoid controversies.
- Process can be managed internally to the disadvantage of some external stakeholders.
- Some significant stakeholders may be omitted.
- Organization may use arbitrary or inappropriate indicators to evaluate outcomes.
- The standards, independence and honesty of the auditor may be open to question.

CONCLUSION

1. Even after six decades of independence, people do not understand the concept of government; for the people, of the people, and by the people. Most of the people still think themselves as being ruled by the politicians, while politicians think that they are the rulers. Due to this reason, common people do not get involved in the developmental activities. Since common people are not that educated, they do not know their rights, let alone get them enforced.

2. Lack of fast legal proceedings for not following social audit principles leads towards a helpless situation of the team and stakeholders involved in social audit. Unless there is a stringent penalty on authorities for not implementing social audit, they will not give up control because it reduces their kickbacks and authority.

3. All this is a far cry from what can be done in practice today. The difficulties which face social audit will appear to be insurmountable and many a State Audit Organization is deterred by them and do not undertake any worthwhile social audit. In fact, however, social audit is an
immediately result oriented exercise and even a report prepared tentatively and with a lack of self-assurance will have something to contribute. The principal difficulty, as has been highlighted earlier, is the non-existence of appropriate social accounting and reporting systems or even a rudimentary system of evaluation of the social changes created. Why not then make this the central thrust of the first attempt at social audit by examining a number of programmes from the point of view of a lack of monitoring and evaluation machinery and methodology? This surely is a straightforward way of gaining acceptability for social audit as an important tool in the management of national affairs.

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ABSTRACT

Green washing is used to promote the perception that an organization's products aims and/or policies are environmentally friendly. The hotel industry revolves around providing accommodations to travelers. Success in the hotel industry relies on catering to the needs of the targeted clientele, creating a desirable atmosphere, and providing a wide variety of services and amenities. “Green” Hotels are environmental-friendly establishments of luxurious lodging whose managers are eager to institute programs such as save water, save energy, reduce solid waste, reuse and recycle, use of eco-friendly products, etc, while saving money to help protect our one and only earth!

Consumers using hotel services are conscious about environmental friendly practices in India. Some consumers patronize the hotels that have adapted green practices though not compromising on service quality. The consumers would prefer to use lodging that follows these practices but are not willing to pay extra for these services. Indian hotels have the competitive advantage over similar products if they follow green practices. This paper is an attempt to understand practices as advertised by hotels understanding actual green practices as advertised by them, understanding consumer perception.

Keywords: Eco friendly Hotels

INTRODUCTION

“Conserve the scenery and the natural and the historic objects and wildlife therein and provide for enjoyment of the same in such a manner and by such means as will leave them unpaired for the enjoyment and future generation”.

-1916 Organic Act

Tourism is recognized as one of the world's largest industries and continues to expand at a rapid rate. It is a profitable economic endeavor, making it an economically enticing industry and a form of development for many countries around the world. However, the benefits of tourism are often accompanied by many negative environmental and social impacts. The hotel industry forms a large part of the tourism industry and it has the potential to be detrimental to the social and natural environments within which it functions. Also due to rapid industrialization and civilization, man realized that his practices are damaging the planet earth in an irreversible manner. If not managed they have a negative impact on the environment and also on the operating costs of an organization. Hotels are resource intensive and in order to reduce their impact, it is imperative to go “green!”

The term "green hotels" describes hotels that strive to be more environmentally friendly through the efficient use of energy, water, and materials while providing quality services. They have seen benefits such as reduced costs and liabilities, high return and low-risk investments, increased profits, and positive cash flows. Identifying these benefits and incentives has allowed the popularity of green hotels to grow. Hotels are consistently becoming greener.

A revolutionary eco-button allows guests to participate in the environmental activities by reducing their air conditioning uses. Employees and management are actively engaged in the environmental operation of the hotel. Over 10,000 local students have been educated on the environmental features of the hotel.
The hotel industry has been pursuing green practices since the 1990s due to fluctuating economic levels and a strong focus on customer service. Other popular cost cutting measures for the short-, mid- and long-term include:

- Use of compact fluorescent lights - saves energy.
- Reuse of linens - saves water, detergent, energy and greenhouse gases.
- Low-flow shower systems - saves water and energy.
- Local products - save transportation costs.
- Installation of green roofs - saves energy.
- Installation of solar heaters or other renewable energy source - saves energy.

The ultimate result of these actions is a win-win situation; to reduce hotel operational costs and harmful environmental impacts. There can be no doubt that “going green” has become an important movement in today’s society. And while it carries with it noble ideals, it also has a hip sort of connotation. The National Technology Readiness Survey conducted by Rockbridge Associates in 2007 asked respondents how they felt about environmentally conscious businesses and their practices and found that 68% of consumers like to do business with companies that are environmentally responsible. It is perhaps this preoccupation with being part of the trend that leads many companies into the dangerous waters of “Green washing.”

Green washing or “green sheen,” is deceptively used to promote the perception that an organization's products, aims and/or policies are environmentally friendly. The term green washing was coined by New York environmentalist Jay Wester velt in 1986. A potential threat to businesses that are implementing and promoting the use of green practices is green washing. As consumers become more aware of the positive impact that green practices can create in the environment, more businesses are talking about how “green” they are, sometimes exaggerating or falsely communicating the extent of their involvement. Green refers to practices that protect the environment and/or products made with little environmental harm because they are produced in an environmental and eco-friendly way.

While current literature says that there are a variety of reasons for a hotel to become eco-certified, this study focuses on how consumers respond to green practices in hotels, and what effects eco-certification have on consumer attitudes toward the hotel and gap analysis between management and consumer perception towards hotels. Also practices as advertised by hotels in Nagpur and consumer perception towards the hotels will be studied.

Through a survey questionnaire we aimed to assess consumer attitudes toward eco-certification and general green practices within hotels.

**REVIEW OF LITERATURE**

Although large numbers of studies have shown that green hotel practices contribute to guest satisfaction and loyalty, there is less empirical evidence proving the importance that consumers attach to efforts supporting sustainability.

Many green hotel efforts (e.g., reusing towels, turning off lights) require consumers to be collaborators in the service process and can influence the tangible aspects of the guest experience. As a result, it is likely that consumers are more aware of hotel ecological practices in which they have participated (e.g., recycling), rather than any other sustainable initiatives the hotel might have undertaken (e.g., environmentally-sound construction) which do not require consumer participation.

Unfortunately, some hotels go green as a marketing ploy without really being green. This can be done as the criteria used to certify a hotel as green are inconsistent across the various accrediting associations. This leaves less awareness of the consumer regarding understanding how truly green hotels are? Or how to compare properties those claim to be green but are certified by different
organizations? Hotels may simply claim to be green without bothering to obtain legitimate accreditation. In other words, hotels can label themselves green hotels in a way that makes it difficult or impossible for the consumer to verify the authenticity of these claims.

Hoteliers’ Perceptions of the Impacts of Green Tourism on Hotel Operating Costs in Zimbabwe: The Case of Selected Harare Hotels was studied by Nelson Zengeni, Dorothy Monica, Fungai Zengeni and Shelter Muzambi. They studied the possible relationship of green hospitality and operating costs in Zimbabwe’s hotels. The study showed that there is both a negative and positive relationship between green hospitality and operating costs as perceived by the hotel employees. The findings also revealed that employee awareness is important in the discussion of green tourism as a measure of controlling costs as they (employees) are the key drivers of the green revolution.

Consumer Perceptions of Sustainability in the Lodging Industry: Examination of Sustainable Tourism Criteria was been studied. While the lodging industry has recognized the importance of engaging in corporate social responsibility, most hotel CSR efforts focused on sustainable development oriented towards the environment. This study examined consumer perceptions of CSR from a more holistic perspective of sustainability, utilizing Global Sustainable Tourism Criteria. Findings reveal that while hotel green efforts impact key marketing outcomes such as satisfaction, retention, positive word of mouth, and price premiums, higher level constructs including respect for heritage and community been suggested to mediate the relationship between these green efforts and the marketing outcomes, implying a hierarchy of effects. The paper suggested that hotels should implement and promote CSR efforts in a particular sequence in order to strengthen bonds with consumers.

How ‘Green’ Are North American Hotels? An Exploration of Low-Cost Adoption Practices was studied by Imran Rahman, Dennis Reynolds and Stefani Svaren. The study examined how eco-friendly, in the United States are in relation to no-cost or low-cost practices. The findings showed that chain hotels are stronger adopters of green practices in the country than independent hotels. In addition, hotels in the Midwest were found to be the most environment friendly in terms of their use of no-cost or low-cost green practices.

Mihalic studied that location had an impact on hotels’ environmental practices. Some destinations, such as national parks draw customers to natural features including scenery, clean water, and fresh air. Tourist flow in such areas would likely suffer if the natural beauty were to be diminished or if pollution were to become conspicuous. Thus, in order to remain competitive, managers at such destination locations must be ever mindful of the relationship between environmental quality and their products’ chief assets. Location should therefore be investigated carefully before deciding where to build or acquire a property. For example, in a study conducted in Australia, Warnken, Bradley, and Guilding (2005) found that water consumption was heavily affected by location. Areas that had heavy rainfall were able to collect rainwater and therefore decrease water consumption. Other location-based factors, such as existing infrastructure, nearby buildings, and climatic conditions, also affect consumption of both energy and water. There are numerous ways for hotels to go green. Ecological responsibility takes many forms, including energy management or recycling practices such as turning off lights, monitoring the use of air conditioners, or recycling waste (Bansal & Roth, 2000). Another way to green a business is to reduce consumption and use resources economically, an example of which would be sending paper mail only when necessary and e-mailing all other information. Conducting business with green vendors and service providers and choosing products and services that are safer to human health is a good way to improve the ecological health of a firm as well (Pizam, 2009). Many hotels have been successful in going green.

Exploring consumer attitude and behavior towards green practices in the lodging industry in India was studied by Kamal and Vinneie. The study sought to explore the factors which influence the consumer attitude and behavior towards green practices in the lodging industry in India and also to explore the consumers' intentions to pay for these practices. The results showed that the consumers using hotel services are conscious about environmentally friendly practices in India. They patronize the hotels that have adapted green practices though not compromising on service quality. The consumers would
prefer to use lodging that follows these practices but are not willing to pay extra for these services. Indian hotels have the competitive advantage over similar products if they follow green practices. The hotels would have to invest in environmentally friendly practices and look at long-term gains. The government needs to acknowledge and institutionalize the practice by instituting rewards and offering benefits in taxes.

OBJECTIVES

1. To understand actual green practices as advertised by hotel industry.
2. To know consumer perception and management perception towards these practices.
3. To find gap between management and consumers perception towards these hotels.

RESEARCH METHODOLOGY

Research Design: Exploratory Research

Research Instruments: In-depth open-ended questionnaires and focused group interviews

Sources of data: Secondary Data: Telephonic survey, books, magazines, journals and various web sites

Primary Data: Questionnaire and in-depth interviews

Sampling method: Random sampling

Sample size of 10 hotels with 20 respondents each.

Profile of the respondents: Consumer’s without age bar who visit these hotels regularly.

Samples have been collected from non-green and eco-friendly hotels in and around Nagpur.

Scope: The scope of this study is unlimited. The findings can be implemented by all hotels that understand the importance of being eco-friendly. Today’s consumers are eco-sensitive. The findings of this study can be useful to hotel industries all over the world to increase market share and gain consumers’ confidence.

OBSERVATION AND FINDINGS

Male population preferred eco friendly hotels more than the females, consisting majorly of 18-44 age. Upper high class preferred these hotels than the other classes.

<table>
<thead>
<tr>
<th>Table 1. Awareness of Ecotels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responses</td>
</tr>
<tr>
<td>Awareness</td>
</tr>
<tr>
<td>Unawareness</td>
</tr>
</tbody>
</table>

Management: Management said that the consumers gave good response to eco friendly hotels. They are neither ready to compromise in quality nor the cost. According to them the consumers lack in knowledge about eco friendliness which enforce them to perform many promotional and awareness activities in the nearby areas. They also believed that revenue increases due to eco certification. They are taking several steps forward for being more eco friendly like bacteria free rooms.

Non eco friendly hotels showed least interest in eco friendly concept. They believed in providing more luxurious life rather than been green. They provided optimum natural ambience and believed in giving more comfort at low cost as compared to Ecotels.

Consumers: Consumers (Guests) were more concerned with the comfort and the amenities the hotels provided. Cost factor was not the major concern for preferring non-green hotels than green hotels.
They preferred hotels as per their own convenience. Few consumers had no trust in the environmental claims of the hotel while some felt difficult to find the certified hotels. Also few consumers found that eco certified hotels were too expensive, some were not sufficiently informed about the actual environmental impacts of the hotels. Most of the consumers felt that eco certified hotels were of lower quality while others had no priority for the environmental issues. This can be clearly shown with the help of following charts.

Management

1) How do consumers respond to green hotel practices?

Table 2. Consumers response to Green Hotel Practices

<table>
<thead>
<tr>
<th>Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>72</td>
</tr>
<tr>
<td>Very good</td>
<td>17</td>
</tr>
<tr>
<td>Good</td>
<td>9</td>
</tr>
<tr>
<td>Poor</td>
<td>2</td>
</tr>
</tbody>
</table>

Analysis: More than 70% of the respondents feel excellent for green hotel practices.

2) Are customers willing to pay more for green hotels?

Table 3. Consumers willingness to pay

<table>
<thead>
<tr>
<th>Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Willing to pay</td>
<td>81</td>
</tr>
<tr>
<td>Not willing to pay</td>
<td>19</td>
</tr>
</tbody>
</table>

Analysis: 81% of the respondents feel that customers are willing to pay more whereas 19% are not willing to pay more.

3) Do consumers demand for more amenities or process that would encourage green practices in their hotels?

Table 4. Consumers preferences

<table>
<thead>
<tr>
<th>Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>80</td>
</tr>
<tr>
<td>No</td>
<td>20</td>
</tr>
</tbody>
</table>

Analysis: 80% of the respondents feel that the consumers demanded for more amenities for encouraging the green practices.

Consumers

1) What factors attract you to stay at a specific hotel?

Table 5. Factors Attracting Consumers towards Specific Hotels

<table>
<thead>
<tr>
<th>Factors</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nearness to Airport</td>
<td>60</td>
</tr>
<tr>
<td>Eco-friendly</td>
<td>20</td>
</tr>
<tr>
<td>Ambience</td>
<td>10</td>
</tr>
<tr>
<td>Hospitality</td>
<td>10</td>
</tr>
</tbody>
</table>

Analysis: Most important factor for customers getting attracted to specific hotel is proximity to airport. 60% of respondents chose near the airport and not the eco-friendliness.
2) Have you ever noticed the eco labels?

   Table 6. Awareness about eco-labels

<table>
<thead>
<tr>
<th>Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noticed</td>
<td>55</td>
</tr>
<tr>
<td>Not Noticed</td>
<td>45</td>
</tr>
</tbody>
</table>

Analysis: More than 50% of the respondents have noticed eco-labels whereas more than 40% of respondents did not notice the eco-labels used by the hotel.

3) Do you have any idea about eco certification?

   Table 7. Eco-certification Awareness

<table>
<thead>
<tr>
<th>Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>92</td>
</tr>
<tr>
<td>No</td>
<td>8</td>
</tr>
</tbody>
</table>

Analysis: More than 90% of the respondents are aware of the eco-certification.

4) What is your perception about eco-certified hotels?

   Table 8. Consumers perception for eco-certified hotels

<table>
<thead>
<tr>
<th>Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No trust</td>
<td>7</td>
</tr>
<tr>
<td>Difficult to find</td>
<td>3</td>
</tr>
<tr>
<td>Expensive</td>
<td>10</td>
</tr>
<tr>
<td>Lack of Awareness</td>
<td>55</td>
</tr>
<tr>
<td>No Priority</td>
<td>25</td>
</tr>
</tbody>
</table>

Analysis: 55% of the respondents are unaware of the eco-certified hotels.

5) Does the age factor affect decision for choosing hotel?

   Table 9. Age factor in choosing hotel

<table>
<thead>
<tr>
<th>Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>20</td>
</tr>
<tr>
<td>No</td>
<td>80</td>
</tr>
</tbody>
</table>

Analysis: 80% of the respondents feel that age factor is not much relevant in choosing the hotel.

SUGGESTIONS

Today’s consumer is aware of the concept of ‘eco-friendly’ hotel. Firstly, eco-certification for hotels is more intriguing to consumers than we had originally assumed. Although, many of our survey respondents mentioned that they wanted more information to be publicly available and advertised, so they could better decide on hotels.

Therefore, we would like to suggest that hotels publicize their commitment to the environment through eco-certification programs on their websites and other websites where they have listings for hotels, such as Hotels.com or Tripadvisor.com.

Furthermore, the hotels should provide detailed information about the specific green practices they have undertaken and should highlight the more unique ones. Such unique practices might perhaps be xeriscape gardens, composting efforts, etc.

From our survey, we learned that many respondents did not remember or recognize if the hotels they stayed at in the past were eco-certified. They believed it would promote more awareness and would better the name of the hotel by having such certifications.
Eco-certification is a great option for hotels to look into, especially those that are trying to stand out amongst the plethora available. The hoteliers, though, must realize that they need to spend an adequate amount of time in marketing and educating the new environmental initiative to garner the support of consumers in the community and from outside.

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CONSTRUCTION OF SOME DESIGNS WITH GENERALISED INCIDENCE MATRICES

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ABSTRACT
The present research paper introduces the concept of designs with generalized incidence matrices. The technique of s-adjugation (s =2) has been used on the Jacobsthal matrix, Q to construct some new designs. It has been found that these results provide the method of construction of 2-associate Partially Balanced Incomplete Block Designs with triangular association scheme.

Keywords: Incidence Matrices

INTRODUCTION
Generalized incidence matrices are matrices whose elements belong to the set of integers. In the last few years a number of designs with such matrices have been introduced. Vartak and Patwardhan [6] introduced the concept of 2-adjugate mod 2 classes of designs to construct a class of Generalized Partially Balanced Incomplete Block Designs with unequal block sizes. This concept was further used by the same authors in [3] on symmetrical balanced incomplete block designs with \( \lambda = 1 \). An extensive study of the technique of 2-adjugation is done by Dandawate, Patwardhan and Vartak in [1] and [2], while Sinha [4] gave a simple combinatorial technique that replaces the PBIB design with unequal block sizes, constructed in [6] by a combination of PBIB designs with unequal block sizes.

Let A be a matrix of order \( v \times b \) over a field. The matrix \( A^s \) of order \( \binom{v}{s} \times \binom{b}{s} \) whose elements are the \( s \)-rowed minor determinants of A, written in the lexicographic order, is called the \( s \)– adjugate of A.

Note that \( A^0 = I \) and \( A^1 = A \).

If \( s = 2 \), we get 2-adjugate of the matrix A denoted by \( A^2 \).

Construction of Jacobsthal Matrix
For the construction of a Jacobsthal matrix, we refer the following definitions and Lemmas

Lemma 2.1 ([7], Wallis et al, Lemma 1.19, Page 291)
If \( q = p^n \) is an odd prime power, then there exists a square matrix Q of order q, with zero diagonal and all other entries \( \pm 1 \) satisfying

\[
QQ^T = qI - J, \quad QJ = JQ = 0
\]

Where I is the identity matrix and J is a matrix with all elements unity.

Further, if

\( q = 1 \ (mod \ 4) \) then \( Q^T = Q \)

and if
To discuss the construction of matrix $Q$ in Lemma 2.1, we will first need the notion of quadratic residues of $F_q$.

**Definition 2.1** ([5], Stinson, Page 50)

Let $q$ be an odd prime power. The quadratic residues of $F_q$ are the elements in the set

$$QR(q) = \{z^2 : z \in F_q, z \neq 0\}$$

and the quadratic non residues of $F_q$ are the elements in the set

$$QNR(q) = F_q \setminus (QR(q) \cup \{0\})$$

**Corollary 2.1** ([5], Stinson, Page 51)

Suppose $q$ is an odd prime power. Then $-1 \in QR(q)$ if and only if $q \equiv 1 \pmod{4}$. It follows that $x \in QR(q)$ if and only if $-x \in QNR(q)$ whenever $q \equiv 3 \pmod{4}$ is a prime power.

The method of construction of matrix $Q$ in Lemma 2.1 is reproduced below:

Let $q = p^n$ be an odd prime power. Define the function $\chi_q : F_q \rightarrow \{-1, 0, 1\}$ as follows:

$$\chi_q(x) = \begin{cases} 0 & \text{if } x = 0 \\ 1 & \text{if } x \in QR(q) \\ -1 & \text{if } x \in QNR(q) \end{cases}$$

The function $\chi_q$ is called the quadratic character in the finite field $F_q$ or simply the Legendre symbol.

Corollary 2.1 states that $\chi_q(-1) = -1$ if $q \equiv 3 \pmod{4}$ and $\chi_q(-1) = 1$ if $q \equiv 1 \pmod{4}$.

Let $x_0, x_1, x_2, \ldots, x_{q-1} \in F_q$ such that $x_0 = 0$ and $x_{q-1} = -x_i i = 1, 2, 3, \ldots, q - 1$. Then

$$Q = (q_{ij}), \quad i = 1, 2, \ldots, q - 1; \quad j = 1, 2, \ldots, q - 1$$

where $q_{ij} = \chi(x_j - x_i)$.

**Definition 2.2** Using the elements of $F_q$ as row and column labels, we define the matrix $Q$ as follows, called a Jacobsthal matrix by

$$q_{ij} = \chi(j - i)$$

**Remark 2.1** If $q = p^n$ is an odd prime, then it is customary to use the natural order of $F_q$ when writing the matrix. Then $q_{i+1,j+1} = q_{i,j}$ (the suffixes taken modulo $p$) and the Jacobsthal matrix $Q$ will be a circulate.

The 2-adjugate mod 2 class of designs

The 2-adjugate matrix of a Jacobsthal matrix $Q$ of order $q$ is defined to be the matrix $Q^\ast$, the elements of which are the determinants of all possible $2 \times 2$ sub-matrices of $Q$ arranged in lexicographic order.

**Theorem 3.1**

The 2-adjugate mod 2 design $Q^\ast$ derived from the Jacobsthal matrix $Q$ is a Partially Balanced Incomplete Block Design with 2 associate classes with triangular association scheme and has parameters.
Where $q$ is an odd prime power

**Proof:**

The structure of any row pair $(l, m)$ of $Q$ giving elements in a row of $Q_1$ is as follows:

<table>
<thead>
<tr>
<th>Partitions</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
<th>VII</th>
<th>VIII</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row $l$</td>
<td>1..1</td>
<td>1..1</td>
<td>1..1</td>
<td>-1..-1</td>
<td>-1..-1</td>
<td>0..0</td>
<td>0..0</td>
<td>0..0</td>
</tr>
<tr>
<td>Row $m$</td>
<td>1..1</td>
<td>-1..-1</td>
<td>0..0</td>
<td>1..1</td>
<td>-1..-1</td>
<td>0..0</td>
<td>1..0</td>
<td>-1..0</td>
</tr>
</tbody>
</table>

The number of columns in various partitions of the structure depend upon whether $q = 3 \pmod{4}$. When these two rows of $Q$ are 2-adjugated, we shall obtain

$Q^1_1 = \begin{pmatrix} \pm 2 \\ \pm 1 \end{pmatrix}$

If and only if we combine:

- Any column of partition I with any column of partitions II or IV,
- Any column of partition II with any column of partition V,
- Any column of partition IV with any column of partition V.

If and only if we combine:

- Any column of partition I or II with any column of partitions III, IV, VI, VII or VIII,
- Any column of partition III with any column of partitions IV, V, VII or VIII,
- Any column of partition IV or V with any column of partitions VI, VII or VIII,
- Any column of partition VI with any column of partition VII or VIII

0 in all other cases

Thus, the 2-adjugate matrix $Q_1$ of $Q$ turns out to be a $\binom{q}{2} \times \binom{q}{2}$ matrix whose elements belong to the set $\{0, \pm 1, \pm 2\}$. If we reduce this matrix $Q_1$ to modulo 2, then we get a $\{0, 1\}$ matrix of order $\binom{q}{2} \times \binom{q}{2}$, which is denoted by $Q^*$.

The new $\{0, 1\}$- matrix $Q^*$ obtained as above can be interpreted as the generalized incidence matrix of a design called ‘the 2-adjugate mod 2 design’.

Let the $q$ rows of $Q$ be denoted by $r_1, r_2, r_3, \ldots, r_q$.

Let us represent $q$ treatments of the design $Q^*$ uniquely obtained by the row pairs of $Q$ as follows:

$1 \sim (r_1, r_2), 2 \sim (r_1, r_3), 3 \sim (r_1, r_4), \ldots, q \sim (r_{q-1}, r_q)$

Similar results can be stated for the $b$ blocks of $Q^*$.

It is easy to see that $v = b = \frac{q(q-1)}{2}$

Further in each row and column of $Q^*$, there are $2q - 3$ units and $\frac{(q-2)(q-3)}{2}$ zeros.

Hence, $r = k = 2q - 3$
In the matrix $Q^*$ consider any two rows corresponding to the treatments $j$ and $j'$ which are the $\alpha$th associates, say. In the rows $j$ and $j'$, the pairs of elements occurring together will be $(0, 0), (0, 1), (1, 0)$ and $(1, 1)$ with frequencies $(b - 2r + \lambda_2), (r - \lambda_2), (r - \lambda_2)$ and $\lambda_2$ respectively. Hence by finding $Q^*Q^T$, we get $\lambda_1 = q$ and $\lambda_2 = 4$. It follows that the association scheme is triangular with $n_1 = 2(q - 2)$ and $n_2 = \frac{(q-2)(q-3)}{2}$.

The following two designs have been obtained as sub-matrices of 2-adjugate of the Jacobsthalmatrix $Q$.

**Design 1**

Partially Balanced Incomplete Block Design with 2 associate classes and with triangular association scheme. The parameters of the design $Q^*$ are

$v = b = 10$, $r = k = 7$

$n_1 = 6$, $n_2 = 3$

$\lambda_1 = 5$, $\lambda_2 = 4$

$p_1 = \begin{pmatrix} 3 & 2 \\ 2 & 1 \end{pmatrix}$, $p_2 = \begin{pmatrix} 4 & 2 \\ 2 & 0 \end{pmatrix}$

Blocks are

(1, 2, 3, 4, 5, 6, 7),
(1, 2, 3, 4, 5, 8, 9),
(1, 2, 3, 4, 6, 8, 10),
(1, 2, 3, 4, 7, 9, 10),
(1, 2, 5, 6, 7, 8, 9),
(1, 3, 5, 6, 7, 8, 10),
(1, 4, 5, 6, 7, 9, 10),
(2, 3, 5, 6, 8, 9, 10),
(2, 4, 5, 7, 8, 9, 10),
(3, 4, 6, 7, 8, 9, 10)

This design has been obtained from the 2-adjugation of the matrix $Q_5$.

**Design 2**

Partially Balanced Incomplete Block Design with 2 associate classes and with triangular association scheme. The parameters of the design $Q^*$ are

$v = b = 21$, $r = k = 11$

$n_1 = 10$, $n_2 = 10$

$\lambda_1 = 7$, $\lambda_2 = 4$

$p_1 = \begin{pmatrix} 5 & 4 \\ 4 & 6 \end{pmatrix}$, $p_2 = \begin{pmatrix} 4 & 6 \\ 6 & 3 \end{pmatrix}$

Blocks of the Design are

<table>
<thead>
<tr>
<th>Block</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1 2 3 4 5 6 7 8 9 10 11</td>
</tr>
<tr>
<td>2</td>
<td>1 2 3 4 5 6 7 12 13 14 15</td>
</tr>
<tr>
<td>3</td>
<td>1 2 3 4 5 6 8 12 16 17 18</td>
</tr>
</tbody>
</table>
This design has been obtained from the 2-adjugation of the matrix $Q_7$.

**REFERENCES**


ABSTRACT

Multinational Corporations are those whose head office is situated in one country but business spread over a no. of countries. These corporations are also known as Transnational corporations, Global corporations or International corporations. These corporations are big in size. They worked in many countries, carries out research, development, marketing and manufacturing in many countries. They have a multinational management and multinational stock ownership. MNCs are excercising control over the world economy. These companies provide best marketing services to the nation. Their staff members are widely spread throughout the globe so their services are better and convinient in comparison to a domestic company. 100's of MNCs coming into Indian Market in the name of liberalization every year. But the primary responsibilities, accountability and moral responsibility to be set and imposed on Multi-national companies for spreading their wings in India has been ignored. Multinational corporations are creating millions of jobs. Due to American trade policy US MNCs are opened for any country's labour. They want cheap labour and countries where labour laws are so linient and India is one of them. Globalization is the driver to multi-nationalism. Large MNCs (Fortune 500 companies) have looked at India as potential growth market, as Indian Economy would be the 4th Largest Economy in terms of Purchasing Power parity and by 2025 it is projected to be about 60% of US Economy.

Keywords: Government; MNCs; Big Corporate Houses

INTRODUCTION

Multinational Corporations are those whose head office is situated in one country but business spread over a no. of countries. These corporations are also known as Transnational corporations, Global corporations or International corporations. These corporations are big in size. They worked in many countries, carries out research, development, marketing and manufacturing in many countries. They have a multinational management and multinational stock ownership. MNCs are excercising control over the world economy. They have huge funds resources, latest technology, marketing superiorities, reputed brands and they have diversified their products in various countries. Due to their brand image and mind set of underdeveloped and developing country consumers they sell their products easily. MNCs have laid effect on government policies because they have huge finance and they threaten the government by market withdrawal scheme. In the same manner their disputes with government increases when government asks them to make their intellectual property public for the betterment of the local entreprenuers. Globalization is the driver to multi-nationalism. Large MNCs (Fortune 500 companies) have looked at India as potential growth market, as Indian Economy would be the 4th Largest Economy in terms of Purchasing Power parity and by 2025 it is projected to be about 60% of US Economy. *(2)
OBJECTIVE

Objective of this paper is to study the trends of MNCs in India and their impact on Indian economy and to show the both sides of the coin. With the help of this study the pros and cons of MNCs are clearly reviewed and latest trends are also discussed in this paper.

METHODOLOGY

This research is based on secondary data. While doing the findings proper care is given to the objective of the research. Relevancy and time period of data collection is also kept in mind. Data used in this research is appropriate according to the need of the topic.

REVIEW OF LITERATURE

Multinational Corporations are those whose head office is situated in one country but business spread over a no. of countries. These corporations are also known as transnational corporations, Global corporations or International corporations. These corporations are big in size. Main MNCs in India are:

<table>
<thead>
<tr>
<th>ABN AMRO</th>
<th>Faber-Castell</th>
<th>Namco Bandai Games</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accenture</td>
<td>Facebook</td>
<td>Namco Bandai Holdings</td>
</tr>
<tr>
<td>Accor</td>
<td>FedEx Express</td>
<td>Nestlé</td>
</tr>
<tr>
<td>Activision Blizzard</td>
<td>France Télécom</td>
<td>NetApp Inc.</td>
</tr>
<tr>
<td>Adidas</td>
<td>Ferrero</td>
<td>News Corporation</td>
</tr>
<tr>
<td>Aditi Technologies Private Limited</td>
<td>Fiat</td>
<td>Nike, Inc.</td>
</tr>
<tr>
<td>Aditya Birla Group</td>
<td>FicoSoca</td>
<td>Nintendo</td>
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<tr>
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<td>Goodyear Tire and Rubber</td>
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<td>Arcor</td>
<td>Company</td>
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<td>Asian Paints</td>
<td>Google</td>
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<td>Procter &amp; Gamble</td>
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<tr>
<td>Atari</td>
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<td>Total S.A.</td>
</tr>
<tr>
<td>EDF</td>
<td>Mercedes-AMG</td>
<td>Toyota</td>
</tr>
<tr>
<td>Enviroway Bioscience</td>
<td>Mercedes-Benz</td>
<td>TRW Automotive</td>
</tr>
<tr>
<td>Electronic Arts</td>
<td>Michelin</td>
<td>Tyco</td>
</tr>
<tr>
<td>Electronic Data Systems</td>
<td>Microsoft</td>
<td>Unicredit</td>
</tr>
<tr>
<td>Electrolux</td>
<td>Mitsubishi Electric</td>
<td>Unilever</td>
</tr>
<tr>
<td>Emerson Electric</td>
<td>Mobil</td>
<td>Unisys</td>
</tr>
<tr>
<td>Eni</td>
<td>Motorola</td>
<td>United Airlines</td>
</tr>
<tr>
<td>Enel</td>
<td>Millipore Corporation</td>
<td>Viettel Mobile</td>
</tr>
<tr>
<td>Embraer</td>
<td>Monsanto Company</td>
<td>VNPT</td>
</tr>
<tr>
<td>Epson</td>
<td></td>
<td>Vimpelcom</td>
</tr>
<tr>
<td>Ericsson</td>
<td></td>
<td>Virgin Group</td>
</tr>
</tbody>
</table>
Advantages to Economy

Availability of capital: MNCs provide huge financial resources to the nations and helps in the development of their economy. These companies are big in size so they invest more and decrease the fiscal deficit of the government.

Availability of marketing services: These companies provide best marketing services to the nation. Their staff members are widely spread throughout the globe so their services are better and convenient in comparison to a domestic company.

Availability of latest technology: These companies have separate R&D department which provides them new researches and due to that they use latest technology and benefits is also taken by the nations where such companies operate.

Availability of efficient management: These companies are huge in size so they have talented and efficient employees which later become the part of the management and due to those countries where the business is done by those companies enjoy the benefits of efficient management.

Resource of foreign exchange: In India fiscal deficit is their MNCs make payments in their own currency which in turn increases the foreign exchange stock.

Increase in Exports: These companies provide latest technology and this will help us in manufacturing better quality products and all this will be helpful in increases export.

Less dependency on imports: Due to manufacturing of latest trend goods and best quality products at cheapest rate. The dependency of the nations on imports will decreases

Increase in industrialisation: Due to MNCs the industrial base of our country has been strengthened. New industries are established by these companies so that cost cutting can be done which increases the industrialisation in our country.

Increase in employment: Multinational corporations are creating millions of jobs. Due to American trade policy US MNCs are opened for any country's labour. They want cheap labour and countries where labour laws are so lenient and India is one of them.

Increase in knowledge: Due to latest technology and better financial resources MNCs provide training to their employees time to time. All this leads to increase in knowledge of the employees as well as of the related and concerned parties.

Healthy competition: No doubt MNCs increase competition but this competition is healthy inspite of cut throat competition. They encourage the small entrepreneurs to produce good quality products at cheaper prices.

Top 10 MNC'S in India

1 |Microsoft
Employees – 97000+ | Business – Software |
Sector - Private Sector |
Drawbacks

Lack of moral responsibility: 100’s of MNCs coming into Indian Market in the name of liberalization every year. But the primary responsibilities, accountability and moral responsibility to be set and imposed on Multi-national companies for spreading their wings in India has been ignored.

Killing the entrepreneurship: These MNCs load these small and medium entrepreneurs with such terms and conditions that protect the principal companies than the entrepreneurs. Recent experience in the Indian market, where one of the large MNCs established the business through distribution network (where direct selling was self-prohibited) has started direct selling, pouching of resources from those
distributors, creating havoc in the latter's organizations, etc.. Such brutal act on MNC’s part is killing the entrepreneurship in India.

**Tax evasion:** These companies do not pay the due amount of tax to the Indian government.

**Threat to small scale industries:** There has been huge loss to small and medium enterprises when a foreign company enters Indian market to offer their products and services. Not all such companies see growth & profits unless the local needs are met in terms of requirements, longevity, emotional fitment and the cost. In this process, such companies end up selling with desperation and close down their business in a short span.

**Unbalanced regional development:** MNCs establish their business where the natural resources are ample. This will leads to regional imbalances and one part of country develops and other remains underdeveloped.

**Political interference:** MNCs has laid effect on government policies because they have huge finance and they threaten the government by market withdrawal scheme. In the same manner their disputes with government increases when government asks them to make their intellectual property public for the betterment of the local entrepreneurs.

**CONCLUSION**

Everything has two impacts one good and another bad. In case of MNCs the positive impacts are more than negative and these negative impacts can be removed if proper corrective actions are taken.

Now the biggest question is that how Indian government protect the countrymen from these unfair trade policies of MNCs. Some suggestions are as following:

- GET BACK TO BASICS OF BUSINESS
- DO NOT GIVE UP MORALS AND ETHICS WHICH HAUNTS GROWTH OF INDIAN ENTERPRENEUR AND
- NOT TO KILL THE SPIRIT, BUT TO BRING IN INNOVATION,
- MAKE PROFITS BUT IMPROVING THE LIFE OF INDIANS BUT NOT TAKING AWAY THE LIVELIHOOD FOR SMALL AND MEDIUM ENTERPRENEURS, THAT PROVIDE EMPLOYMENT OPPORTUNITIES TO CRORES.

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2015
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CASH MANAGEMENT PRACTICES IN MICRO AND SMALL ENTERPRISES IN BARAK VALLEY: AN ANALYTICAL STUDY
Gautam Chandra Deb, Nikhil Bhusan Dey, Parag Shil
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ISSN: 2347–7571
ABSTRACT

Cash, like the blood stream in the human body, gives energy to a business enterprise. However, cash is both the beginning and end of working capital cycle - cash, inventories, receivables and cash. Cash is the basic input required to retain the business running on a continuous basis; it is also the ultimate output expected to be realized by selling the service or product manufactured by a firm. However, cash management presumes more important than any other current assets as cash is the most significant and the least productive asset that a firm holds. Therefore, the aim of cash management should be to maintain adequate cash to keep an enterprise not only sufficiently liquid but to use excess cash in some profitable projects. The management of cash is also important because it is difficult to predict cash accurately and that there is no perfect co-incidence between the inflows and outflows of cash and to be more specific, the research paper attempts to assess mainly the cash management practices in the micro and small enterprises in the Barak Valley. The study is an analytical one and based on primary and secondary data and information.

Keywords: Cash Management; Working Capital Cycle; Ratios

INTRODUCTION

Any organization, big or small, with or without a profit motive, public or private, manages the monetary flows which take place in the development of its activity. Since these flows are essential for the correct working of any organization in that connection Cash Management has become a critical function (Martino, 1998).

Cash occupies an important position in the current assets of a business. It provides liquidity for a business and keeps the business going. Sufficient cash is always required for meeting business obligations. Any shortage of cash will hamper the transactions of a concern and excess of it also would be unproductive. The most unproductive of all the assets is cash. Cash in hand will not add anything to
the business while fixed assets like machinery, plant etc. and current assets like inventory will help the business in increasing its earning capacity. It should not be forgotten that the most unproductive assets is the only true liquid asset of a business (Chadamiya and Menapara, 2013).

Meaning of Cash Management

Cash management is concerned with the managing of (i) cash flows into and out of the firm (ii) cash flows within the firm and (iii) cash balances held by the firm at a point of time. Cash management assumes more importance than other current assets because cash is the most significant and the least productive assets that a firm holds. The aim of cash management should be to maintain the adequate cash position to keep the firm sufficiently liquid and to use excessive cash in some profitable way (Verma, 1994).

In the context of cash management objective to meet current obligations, James Mc. N. Stencil stated that current obligations are generally met out of cash inflows generated by a concern during the course of its operations. In this process, however, the enterprises cannot avoid cost of holding idle cash, due to lack of synchronisation in the cash inflows and outflows (Singhvi and kaupisch, 1970).

Motives of Holding Cash

Although cash does not earn any substantial return for the business, a firm holds cash by virtue of the following motives:

Transaction motive- Firms need cash to meet their transaction needs. The collection of cash is not perfectly synchronized with the disbursement of cash. Hence, some cash balance is required as a buffer (Chandra, 2006).

Precautionary motive- Precautionary motive of holding cash implies the need to hold cash to meet unpredictable obligations. Precautionary cash balance serves to provide a cushion to meet unexpected contingencies. The more unpredictable are the cash flows, the larger is the need for such balances (Khan & Jain, 2004).

Speculative motive- The financial manager would like to take advantage of unexploited opportunities. A part of money reserve is always inevitable so that the firm may be able to take advantage of cash when opportunities are ripe and must be immediately knocked out. Generally, the speculative motive is the least important component of a firm’s preference of liquidity (Bose, 2011).

Objectives of Cash Management

The basic objectives of cash management are as follows:

- To meet the cash disbursement needs; and
- To minimise the funds committed to cash balances.

These are conflicting and mutually contradictory. The task of cash management is to reconcile them. A shrewd finance manager is one who strikes a golden mean between the two conflicting goals of liquidity and profitability of the firm by managing cash flows into the company, cash flows out of the company and intra company cash flows as well as cash balances held by the company (Srivastava, 1984).

Significance of Cash Management

A firm is required to make continuous payments to the suppliers of goods, workers etc. during the normal course of business. Besides, continuous inflow of cash is maintained through realisation of cash from debtors. That is why cash is aptly described as the oil to lubricate the engine without which the wheels of business would grind to a stop. Some points of significance of cash management are as follows:
Bank relations: Commercial banks like to maintain good relations with firms having ample cash. Such firms get loans from banks at lower rate interest and on easy terms in times of emergency.

Availing cash discount: A firm having ample cash can avail of the facility of cash discount by paying to the suppliers of raw material immediately. This results in an increase in the production capacity and profits of the firm.

Facing unexpected events: Firms having ample cash fund are always in a position to face unexpected events like strike, fire, market capturing through conception etc.

Maintenance of goodwill: The goodwill and reputation of the firm is maintained if it meets all its obligations as and when the payment to creditors matures. On time payment guarantees regular supply of raw material at favourable terms and it facilities in borrowing from banks and other sources (Chadamiya and Menapara, 2013).

OBJECTIVE OF THE STUDY

The major objective of the study is to analyse the cash management practices in Micro and Small Enterprises in Barak Valley.

METHODOLOGY AND DATA SOURCE

The study area will be the entire three districts of Barak Valley viz., Cachar, Karimganj and Hailakandi of Assam. From the reports carried by Carried out by MSME- Development Institute (Ministry of MSME, Govt. of India) Link Road Point, N. S. Avenue, Silchar, we have identified the number of existing micro and small enterprises in the Barak Valley. The universe for this study consists of 1689 micro and small enterprises working in the Barak Valley at the end of 31st March, 2012. Of these, 173 enterprises (by applying Macorr Calculator at 95% confidence level and 7% confidence interval) is selected on the basis of stratified random sampling method. Moreover, 6 categories of the micro and small enterprises viz., Agro Based, Readymade Garments and Embroidery, Engineering Units, Paper and Paper Products, Mineral Based and Others are adopted for the research purpose out of the 15 categories as the number of working units are more in these enterprises.

This study is based on primary and secondary data. In order to collect primary data, a well devised schedule is prepared and direct personal interview is used and accordingly data has been collected for the year ended 31st March, 2013. Secondary information has been collected from a number of sources such as books, journals, periodicals, websites and reports of DICC etc. However, few ratios such as cash to current assets ratio, cash turnover in sales ratios and liquid funds to current liabilities are used to test the adequacy of cash or to assess the effective control of cash flows and the statistical techniques like average, standard error, standard deviation, co-efficient of variation and ANOVA have been applied. The data collected has been tabulated, analysed and interpreted for drawing conclusions.

SCOPE OF THE STUDY

The present study is confined to cash management practices in micro and small enterprises in the Barak Valley.

<table>
<thead>
<tr>
<th>Agro Based (A)</th>
<th>Readymade Garments &amp; Embroidery (R)</th>
<th>Engineering Units (E)</th>
<th>Paper &amp; Paper Products (P)</th>
<th>Mineral Based (M)</th>
<th>Others (O)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
<td>17</td>
<td>61</td>
<td>12</td>
<td>15</td>
<td>33</td>
<td>173</td>
</tr>
</tbody>
</table>

Source: DICC, Barak Valley

Why Cash Balance Is Kept?

In the specific area of cash management the first question in the schedule tried to assess how much attention the owners has given to cash management. The results are presented in below table:
Table 2. Prime Reasons for Keeping Cash in the Business (Number of Enterprises)

<table>
<thead>
<tr>
<th>REASONS</th>
<th>A</th>
<th>R</th>
<th>E</th>
<th>P</th>
<th>M</th>
<th>O</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily Obligation</td>
<td>19</td>
<td>12</td>
<td>21</td>
<td>08</td>
<td>05</td>
<td>16</td>
<td>81</td>
<td>46.82</td>
</tr>
<tr>
<td>Favourable Market Condition</td>
<td>02</td>
<td>03</td>
<td>15</td>
<td>00</td>
<td>06</td>
<td>08</td>
<td>34</td>
<td>19.65</td>
</tr>
<tr>
<td>Cash Discount From Suppliers</td>
<td>10</td>
<td>00</td>
<td>16</td>
<td>00</td>
<td>02</td>
<td>07</td>
<td>35</td>
<td>20.23</td>
</tr>
<tr>
<td>Contingencies</td>
<td>04</td>
<td>02</td>
<td>09</td>
<td>04</td>
<td>02</td>
<td>02</td>
<td>23</td>
<td>13.3</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>17</td>
<td>61</td>
<td>12</td>
<td>15</td>
<td>33</td>
<td>173</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** Data compiled from schedule

From the above table it can be seen that 46.82% of the enterprises kept cash for daily obligation enterprises. 19.65% of the enterprises kept cash for the year under study to take the advantage of favourable market condition. 20.23% of the enterprises kept the cash to avail the discount facility from the suppliers. The remaining 13.3% of the enterprises could not attribute the prime reason for keeping cash.

The dominant emphasis upon the ability to meet daily obligation is understandable in micro and small enterprises. The interesting emphasis upon cash for availing of discount facility shows the keenness of the businessmen to avoid the high cost of discount credit facility. Enterprise-wise break-up of the enterprises generally confirm that cash is mainly kept to meet the daily needs.

The second question was meant to find the priority which cash planning received in the enterprises under study. Results are presented in the following table:

Table 3. Periods of Cash Planning In the Enterprises

<table>
<thead>
<tr>
<th>Time</th>
<th>A</th>
<th>R</th>
<th>E</th>
<th>P</th>
<th>M</th>
<th>O</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>22</td>
<td>09</td>
<td>26</td>
<td>04</td>
<td>04</td>
<td>14</td>
<td>79</td>
<td>45.66</td>
</tr>
<tr>
<td>Weekly</td>
<td>07</td>
<td>00</td>
<td>12</td>
<td>00</td>
<td>09</td>
<td>06</td>
<td>34</td>
<td>19.65</td>
</tr>
<tr>
<td>Monthly</td>
<td>02</td>
<td>02</td>
<td>08</td>
<td>05</td>
<td>01</td>
<td>10</td>
<td>28</td>
<td>16.18</td>
</tr>
<tr>
<td>As And When</td>
<td>04</td>
<td>06</td>
<td>15</td>
<td>03</td>
<td>01</td>
<td>03</td>
<td>32</td>
<td>18.51</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>17</td>
<td>61</td>
<td>12</td>
<td>15</td>
<td>33</td>
<td>173</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** Data compiled from schedule

All the enterprises exhibited sharp awareness of the need to plan cash continuously. The sharpness was so high that 45.66% of the enterprises did the exercise on cash planning daily. They explained that they had to be something like a juggler and could not afford any laxity where cash planning was concerned. The difference is noticed in readymade garments and embroidery and paper and paper products where cash planning is not done at all on weekly basis. Moreover, most of the enterprises do not plan cash position on a regular basis, weekly basis and monthly basis but the task is performed as and when they feel its need. They were not clear when and how do they decide to undertake this exercise.

No reply could be drawn regarding the basis adopted for cash planning. None of the enterprises prepared cash budgets or cash flow statements. They went about mostly by what they said by a feeling. This contrasted with their awareness about and emphasis on daily cash planning. All that they did was to write down the payments to be made next day and to think about how they will find the funds for payment. Their planning procedure was a simple scheme of assessing how much inflow of cash shall come next day and what pressing payments must be made and less pressing are deferred for the day after.

**How Cash Balance Required Is Determined?**

The following table exhibits the practices adopted by the selected micro and small enterprises in the Barak Valley.
Table 4. Basis of Determination of Cash Balance

<table>
<thead>
<tr>
<th>Basis</th>
<th>Number Of Enterprises</th>
<th>% Of The Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Fixed Sum</td>
<td>83</td>
<td>48</td>
</tr>
<tr>
<td>A Percentage Of Total Investment</td>
<td>15</td>
<td>9</td>
</tr>
<tr>
<td>A Percentage Of Production</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>A Percentage Of Wage And Purchases</td>
<td>29</td>
<td>17</td>
</tr>
<tr>
<td>Any Other</td>
<td>36</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>173</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data compiled from schedule

From the table it is clear that the method behind maintenance of cash balance was surveyed next. 48% of the enterprises adopted a fixed sum in determining cash balance to be carried by the enterprises. Total 15% enterprises consist of 9% and 6% of the enterprises maintained their cash as a percentage of total investment and a percentage of production but although they commented on surplus cash lying on hand due to their sense of insecurity. Some of them proudly declared that this is the mark of their caution and capacity to have an upper hand in all situations. The 20% of the enterprises did care to decide cash on any other basis which is mainly to meet emergencies. 17% of the enterprises relate the size of cash balance to their wage and purchase bills. The owners of the enterprises here felt very enlightened and remarked this to be the best method of determination of cash balance in micro and small enterprises. And another important thing is that most of the agro based enterprises prefer fourth basis whereas most of the ready-made garments and embroidery prefer first basis for determination of cash balance.

The next question tried to search out the frequency when the shortage of cash became a problem in the enterprises. Two things found out as significant:

1. The conception of cash shortage in minds of most of the traders was simple and clear. They understood cash shortage as a situation, when they did not have cash on hand to make payment timely. Thus, cash shortage seemed to be more a matter of pressure of payment than a subject of concern relating to actual command over cash.

2. The second thing that almost all the respondents said that cash shortage was occasional occurrence in their business.

How Is Cash Shortage Met With?

The following result exhibits the position of cash shortage met with the enterprises.

Table 5.

<table>
<thead>
<tr>
<th>Methods</th>
<th>Number Of Enterprises</th>
<th>% Of The Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency</td>
<td>96</td>
<td>55</td>
</tr>
<tr>
<td>Losing The Discount</td>
<td>19</td>
<td>11</td>
</tr>
<tr>
<td>Losing The Business</td>
<td>22</td>
<td>13</td>
</tr>
<tr>
<td>Forced Curtailment Of Production</td>
<td>36</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>173</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data compiled from schedule

From the above table it can be seen that the alternatives open to the traders are many in the event of shortage of cash. The enquiry sought information about the alternatives actually adopted by the businessmen. It was clear that shortage of cash led to emergency borrowings where finding the funds was top urgent, its cost was less important. They even pointed out that emergency borrowings was not always a sure way of securing funds. This reliance on the emergency borrowings exhibited lack of
preparedness and anticipation. The enquiry brought out in a forceful manner the drastic handling of the situation by the businessmen under the grip of cash shortage. 21% business enterprises could not arrange for funds and were forced to curtail production. Others met the situation by helplessly losing the business or giving up the advantage of discount. The average picture is that the businessmen carried a very casual concept of cash shortage but paid a very high price handling the cash shortage. And the important note is that the enterprises under agro based group prefer 4th alternative whereas most of the engineering units go for 1st alternatives.

**Judging Liquidity Position**

The results obtained on the liquidity position are given in the following table:

<table>
<thead>
<tr>
<th>Type Of Judgment</th>
<th>Number Of Enterprises</th>
<th>% Of The Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Judgment Of Liquidity Of Funds Done</td>
<td>96</td>
<td>55</td>
</tr>
<tr>
<td>Judgment Of Liquidity Of Funds Not Done</td>
<td>77</td>
<td>45</td>
</tr>
<tr>
<td>Total</td>
<td>173</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** Data compiled from schedule

From the above table it is seen that 55% enterprises judge the liquidity of funds whereas 45% enterprises do not judge the liquidity of funds.

**Cash to Current Assets Ratio**

In order to determine the minimum level of cash required for a business, the ratio of cash to current assets provides an index of current operations. An increasing level of cash in current assets could be caused by a reduction in the credit given by suppliers or due to too high a cash balance. The ratio indicates the potential problem, which requires further analysis by the entrepreneur to determine the cause to overcome it (Rao, 1998). The position of the selected micro and small enterprises is presented in the below table:

Formula: -

\[
\text{Cash Ratio} = \frac{\text{Cash}}{\text{Total current assets}} \times 100
\]

**Table 7. Cash to Current Assets Ratio of Micro and Small Enterprises of the Selected Categories in the Barak Valley as On 31-3-2013**

<table>
<thead>
<tr>
<th>Districts</th>
<th>Mineral Based</th>
<th>Agro Based</th>
<th>Paper &amp; Paper Products</th>
<th>Engineering Units</th>
<th>Ready-Made Garments</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hailakandi</td>
<td>3.25</td>
<td>7.03</td>
<td>7.31</td>
<td>3.28</td>
<td>8.33</td>
<td>5.31</td>
</tr>
<tr>
<td>Cachar</td>
<td>1.56</td>
<td>5.93</td>
<td>3.63</td>
<td>6.46</td>
<td>4.95</td>
<td>6.39</td>
</tr>
<tr>
<td>Karimganj</td>
<td>5.43</td>
<td>9.17</td>
<td>1.96</td>
<td>7.12</td>
<td>8.80</td>
<td>8.25</td>
</tr>
<tr>
<td>Average</td>
<td>3.41</td>
<td>7.38</td>
<td>4.30</td>
<td>5.62</td>
<td>7.36</td>
<td>6.65</td>
</tr>
<tr>
<td>Std. Error</td>
<td>1.12</td>
<td>0.95</td>
<td>1.58</td>
<td>1.19</td>
<td>1.21</td>
<td>0.86</td>
</tr>
<tr>
<td>S. D.</td>
<td>1.94</td>
<td>1.65</td>
<td>2.74</td>
<td>2.05</td>
<td>2.10</td>
<td>1.49</td>
</tr>
<tr>
<td>C. V.</td>
<td>56.84</td>
<td>22.33</td>
<td>63.66</td>
<td>36.53</td>
<td>28.54</td>
<td>22.36</td>
</tr>
</tbody>
</table>

**Source:** Data compiled from schedule

Here descriptive statistics of cash to current assets ratios of six categories of micro and small enterprises in the Barak Valley such as average, standard error, standard deviation and co-efficient of variation is calculated through SPSS 16.0. The cash to current assets ratio of all the micro and small enterprises shows fluctuating trend throughout the study period except paper and paper products.
enterprises which shows decreasing trend. Category-wise analysis exhibits that mineral based enterprises has a lower ratio of cash to current assets as compared to all enterprises average in all the districts of Barak Valley under study. The agro based enterprises hold the higher percentage of cash to current assets in average in all the districts but if we consider standard error we could see out of six categories paper and paper products enterprises has the highest ratio and other category of the enterprises has the lowest. To be more specific we can say that the smaller the standard error, the more representative the sample will be of the overall population. The standard deviation of the cash to current assets ratio lies between 1.49 to 2.74 which is followed with co-efficient of variation between 22.33 to 63.66.

HYPOTHESIS

H0: There is no significant difference in the cash to current assets ratio of micro and small enterprises in Barak Valley.

H1: There is significant difference in the cash to current assets ratio of micro and small enterprises in Barak Valley.

Table 8. ANOVA Analysis Cash to Current Assets Ratio

<table>
<thead>
<tr>
<th>Sources Of Variation</th>
<th>SS</th>
<th>DF</th>
<th>MS</th>
<th>F</th>
<th>F CRIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>43.5285</td>
<td>5</td>
<td>8.7057</td>
<td>2.0961</td>
<td>3.11</td>
</tr>
<tr>
<td>Within Groups</td>
<td>49.8379</td>
<td>12</td>
<td>4.1532</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>93.3664</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above table indicates the calculated value of F. The calculated value of F is 2.10 which is less than the table value of F. The table value of F at 5% level of significance is 3.11. It indicated that the null hypothesis is accepted and alternative hypothesis is rejected. So, it indicates that there is no significant difference in the cash to current assets ratio of micro and small enterprises in Barak Valley.

Cash Turnover in Sales Ratio

Greater cash turnover in sales indicates the effective utilization of cash resources. If a business can turnover its cash large number of times, it can finance greater volume of sales with relatively lesser cash resources. This will increase the profitability of the concern. The position of the selected enterprises is shown below and the following formula has been used:

\[
\text{Turnover of cash} = \frac{\text{Sales or cost of goods sold}}{\text{Cash at the end}}
\]

Here descriptive statistics of cash turnover in sales ratios of six categories of micro and small enterprises in the Barak Valley such as average, standard error, and standard deviation and co-efficient of variation is calculated through SPSS 16.0. The cash turnover in sales ratio of all the micro and small enterprises shows fluctuating trend throughout the study period except mineral based enterprises which shows decreasing trend. Category-wise analysis exhibits that ready-made garments and embroidery enterprises has a lower ratio of cash turnover in sales as compared to all enterprises average in all the districts of Barak Valley under study. The mineral based enterprises hold the higher percentage of cash turnover in sales ratio in average in all the districts but if we consider standard error we could see out of six categories paper and paper products enterprises has the highest ratio and engineering category of the enterprises has the lowest. To be more specific we can say that the smaller the standard error, the more representative the sample will be of the overall population. The standard deviation of the cash turnover in sales ratio lies between 5.71 to 31.07 which is followed with co-efficient of variation between 19.26 to 65.52.
Table 9. Cash Turnover in Sales Ratio of Micro and Small Enterprises of the Selected Categories in the Barak Valley as On 31-3-2013

<table>
<thead>
<tr>
<th>Districts</th>
<th>Mineral Based</th>
<th>Agro Based</th>
<th>Paper &amp; Paper Products</th>
<th>Engineering Units</th>
<th>Ready-Made Garments</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hailakandi</td>
<td>98.67</td>
<td>38.80</td>
<td>19</td>
<td>32</td>
<td>26.92</td>
<td>27.53</td>
</tr>
<tr>
<td>Cachar</td>
<td>68</td>
<td>53</td>
<td>80.01</td>
<td>33.81</td>
<td>36.78</td>
<td>79.29</td>
</tr>
<tr>
<td>Karimganj</td>
<td>46.22</td>
<td>28.89</td>
<td>59.69</td>
<td>23.14</td>
<td>22.50</td>
<td>28.61</td>
</tr>
<tr>
<td>Average</td>
<td>70.96</td>
<td>40.23</td>
<td>52.90</td>
<td>29.65</td>
<td>28.73</td>
<td>45.14</td>
</tr>
<tr>
<td>Std. Error</td>
<td>15.21</td>
<td>7.00</td>
<td>17.94</td>
<td>3.30</td>
<td>4.22</td>
<td>17.08</td>
</tr>
<tr>
<td>S. D.</td>
<td>26.35</td>
<td>12.12</td>
<td>31.07</td>
<td>5.71</td>
<td>7.31</td>
<td>29.58</td>
</tr>
<tr>
<td>C. V.</td>
<td>37.13</td>
<td>30.12</td>
<td>58.73</td>
<td>19.26</td>
<td>25.44</td>
<td>65.52</td>
</tr>
</tbody>
</table>

Source: Data compiled from schedule

HYPOTHESIS

H0: There is no significant difference in the cash turnover in sales ratio of micro and small enterprises in Barak Valley.

H1: There is significant difference in the cash turnover in sales ratio of micro and small enterprises in Barak Valley.

Table 10. ANOVA Analysis Cash Turnover in Sales Ratio

<table>
<thead>
<tr>
<th>Sources Of Variation</th>
<th>SS</th>
<th>DF</th>
<th>MS</th>
<th>F</th>
<th>F CRIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>3775.4625</td>
<td>5</td>
<td>755.0925</td>
<td>1.64</td>
<td>3.11</td>
</tr>
<tr>
<td>Within Groups</td>
<td>5534.3281</td>
<td>12</td>
<td>461.1940</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9309.7906</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above table indicates the calculated value of F. The calculated value of F is 1.64 which is less than the table value of F. The table value of F at 5% level of significance is 3.11. It indicated that the null hypothesis is accepted and alternative rejected. So, it indicates that there is no significant difference in the cash turnover in sales ratio of micro and small enterprises in Barak Valley.

Liquid Funds to Current Liabilities

Another way to look at the efforts of the units to control cash balance is to analyse the level of liquid funds in relation to current liabilities. The position is presented in below table:-

\[
\text{Cash + Bank Balance + Marketable Securities} \times 100
\]

\[
\text{Ratio} = \text{Current Liabilities}
\]

Here descriptive statistics of liquid funds to current liabilities ratios of six categories of micro and small enterprises in the Barak Valley such as average, standard error, standard deviation and coefficient of variation is calculated through SPSS 16.0. The liquid funds to current liabilities ratio of all the micro and small enterprises shows fluctuating trend throughout the study period except mineral based enterprises which shows decreasing trend and engineering units shows increasing trend. Category-wise analysis exhibits that mineral based enterprises has a lower ratio of liquid funds to current liabilities as compared to all enterprises average in all the districts of Barak Valley under study. The agro based enterprises hold the higher percentage of liquid funds to current liabilities in average in all the districts but if we consider standard error we could see out of six categories agro based enterprises has the highest ratio and other category of the enterprises has the lowest. To be more specific we can say that the smaller the standard error, the more representative the sample will be of...
the overall population. The standard deviation of the liquid funds to current liabilities ratio lies between .65 to 27.59 which is followed with co-efficient of variation between 2.31 to 59.07.

Table 11. Liquid Funds to Current Liabilities Ratio of Micro and Small Enterprises of the Selected Categories in the Barak Valley as On 31-3-2013

<table>
<thead>
<tr>
<th>Districts</th>
<th>Categories Of The Enterprises</th>
<th>Mineral Based</th>
<th>Agro Based</th>
<th>Paper &amp; Paper Products</th>
<th>Engineering Units</th>
<th>Ready-Made Garments</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hailakandi</td>
<td></td>
<td>14.10</td>
<td>39.77</td>
<td>23.44</td>
<td>16</td>
<td>27.67</td>
<td>28.97</td>
</tr>
<tr>
<td>Cachar</td>
<td></td>
<td>7.66</td>
<td>31.44</td>
<td>36.60</td>
<td>18.98</td>
<td>40.28</td>
<td>27.68</td>
</tr>
<tr>
<td>Karimganj</td>
<td></td>
<td>5.82</td>
<td>82.84</td>
<td>9.30</td>
<td>38.63</td>
<td>17.88</td>
<td>28.52</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td>9.19</td>
<td>51.35</td>
<td>23.11</td>
<td>24.54</td>
<td>28.61</td>
<td>28.39</td>
</tr>
<tr>
<td>Std. Error</td>
<td></td>
<td>2.51</td>
<td>15.93</td>
<td>7.88</td>
<td>7.10</td>
<td>6.48</td>
<td>0.38</td>
</tr>
<tr>
<td>S. D.</td>
<td></td>
<td>4.35</td>
<td>27.59</td>
<td>13.65</td>
<td>12.30</td>
<td>11.23</td>
<td>0.65</td>
</tr>
<tr>
<td>C. V.</td>
<td></td>
<td>47.29</td>
<td>53.72</td>
<td>59.07</td>
<td>50.11</td>
<td>39.25</td>
<td>2.31</td>
</tr>
</tbody>
</table>

Source: Data compiled from schedule

HYPOTHESIS

H0: There is no significant difference in the liquid funds to current liabilities ratio of micro and small enterprises in Barak Valley.

H1: There is significant difference in the liquid funds to current liabilities ratio of micro and small enterprises in Barak Valley.

Table 12. ANOVA Analysis Liquid Funds To Current Liabilities Ratio

<table>
<thead>
<tr>
<th>Sources Of Variation</th>
<th>SS</th>
<th>DF</th>
<th>MS</th>
<th>F</th>
<th>F CRIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>3835.9288</td>
<td>5</td>
<td>767.1858</td>
<td>3.70</td>
<td>3.11</td>
</tr>
<tr>
<td>Within Groups</td>
<td>2488.1697</td>
<td>12</td>
<td>207.3475</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6324.0985</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above table indicates the calculated value of F. The calculated value of F is 3.70 which are more than the table value of F. The table value of F at 5% level of significance is 3.11. It indicated that the null hypothesis is rejected and alternative hypothesis is accepted. So, it indicates that there is significant difference in the liquid funds to current liabilities ratio of micro and small enterprises in Barak Valley.

LIMITATIONS OF THE STUDY

The study suffers from certain limitations. In spite of our best efforts, we could not avoid them because of many practical constraints. Hence, we could not but accept the possibility of a certain degree of error. However, the study has following limitations:

- The study is limited within the Barak Valley but it may not match with the rest of the area.
- The ratios of cash management in MSEs may not give fruitful results for medium and large enterprises.
- The study is only of selected categories of micro and small enterprises. Hence, findings cannot be generalized to other categories.

CONCLUSION

Management of cash is an important function that the owners of micro and small enterprises in the Barak Valley are supposed to perform. Micro and small enterprises have more or less the same motives of holding cash as large enterprises have. For an enterprise to optimise its efficiency, control
of cash is essential. A cash budget serves as both planning tool and a control device but has limitations that it points out situations only when they go wrong. A comprehensive planning and review process helps to handle problems as and when they arise. For a micro and small enterprise, finding and solution to each situation as it arises may be possible in short run, but not always. The micro and small enterprises should ensure that cash would flow into the business at the earliest possible time.

REFERENCES

4. District Industries and Commerce Centre, Cachar, Karimganj and Hailakandi.
7. MSME- Development Institute (Ministry of MSME, Govt. of India) Link Road Point, N. S. Avenue, Silchar, Assam.